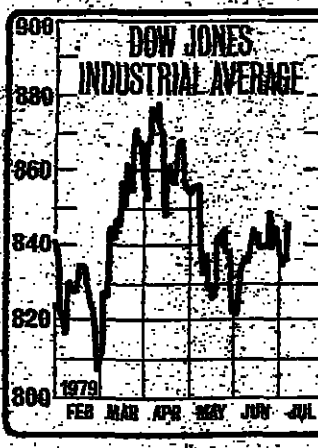


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NEWS SUMMARY

GENERAL Nkomo pledges Queen's safety

Business Wall St. up 10; Equities steady



Rise for MPs

Egypt arms delay

Drug barred

Bomb suspect

Jet escape

Ace-Martina

Holiday cheer

Briefly

Financial Times

Chief price changes yesterday

Table with 2 columns: Item and Price Change

Company profits fall in spite of North Sea oil

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Profits from North Sea oil and gas are rising sharply, but the increase has been too small to offset a decline in the profits of the rest of industry.

The latest official figures support recent warnings from the Bank of England and the Confederation of British Industry that prospects for company profits are poor as a result of the combination of slower output growth and accelerating inflation.

LIVING STANDARDS AND PROFITS table with columns for Personal disposable income and Gross trading profits

Labour 'will return BP to majority State control'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A FUTURE Labour administration will act firmly to restore majority Government control of British Petroleum if the Conservatives pursue plans to sell some of the 51 per cent State shareholding in the company.

Carter extends economy talks

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE U.S. economy continued yesterday to emit confusing signals as President Carter decided to prolong until next week his secret "domestic summit" at Camp David.

Contents

Table of Contents listing various sections and their page numbers

Sterling down on profit taking

By Peter Riddell, Economics Correspondent

STERLING fluctuated sharply yesterday and ended down for the day for the first time in a fortnight.

APPRECIATION OF STERLING table showing percentage increase since Dec 31 and June 22

Thursday morning, but still represented a rise of 3.7 per cent over the last fortnight.

NATSOPA plans legal action against Briginshaw

BY ALAN PIKE, LABOUR CORRESPONDENT

THE National Society of Operative Printers, Graphical and Media Personnel (NATSOPA) is to take legal action against Lord Briginshaw.

Mrs. Thatcher warns unions over pay

BY PHILIP RAWSTORNE

MRS. MARGARET THATCHER issued a stern warning last night that the Government would not print money to bail employers and trades unions out of irresponsible pay settlements.

"Higher pay needs to be matched by higher output." If it is not, it will lead only to higher unemployment and higher prices.

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OVERSEAS NEWS

Lhasa unmistakably bears the stamp of Peking: K. K. SHARMA looks at the changes 20 years have brought
The new Tibet—A Chinese view from the Roof of the World

TWENTY YEARS of Communism has left its indelible mark on Lhasa, once a closed forbidden city on the Roof of the World. No yaks cause traffic jams. Lamas no longer twirl their prayer wheels and the once-ubiquitous dogs bark no more. True some Tibetan women still sport the traditional "Baku," a long gown with striped aprons across the waist. Some men still proudly wear the famous felt hats, much like top hats in brown or black, blowing smoke through long narrow pipes. But this is clearly a remnant of the past that will surely not survive the next generation. The old Lhasa still has its small quaint houses three or four stories high, their outer walls broken by small brightly coloured windows through

which shy young belles peer curiously. This is the habitat of a few thousand. The bulk of Lhasa's 100,000 population lives in the newer, more modern part of the city whose sloping corrugated roofs and brick and concrete walls betray their recent origin. The new Lhasa has emerged in the swampy area that once acted as a barricade between the awesome 13-storey Potala Palace of the Dalai Lama built on a solid rock hill in the north-west of Tibet's capital. The swamp kept the former serfs and lowly lamas away from the forbidden Potala, a majestic and dominating structure with more than 1,000 rooms built centuries ago. In keeping with Lhasa's modernism, the imposing Potala Palace is uninhabited with its thousands of priceless gold Buddha statues, rare "tankas,"

innumerable Buddhist scrolls and serps, carefully painted murals and frescos and the tombs of former Dalai Lamas now mere museum pieces. The new Lhasa is unmistakably part of modern China. Most of the people wear the unisex Mao blue or grey loose jacket and trousers, walking purposefully down tree-lined avenues with fixed expressions. The metal roads are used by the few land cruisers meant for official use and the cycles that are found in all parts of China. The olive green of the Chinese People's Liberation Army stands out among the passers-by, the red marks of rank on their collars marking them out and emphasising the large numbers in which they are present. What stands out in Lhasa today is the presence of the Han people and all that they



The Potala Palace, decked with Chinese slogans.

stand for in the mainland of China from where they have come. The top Tibetan leadership is of local ethnic stock and it cannot be denied that Tibetans have had their lives transformed very much for the better. The revolution, which took Tibet from the

feudal medieval age in which it had stagnated for centuries straight into modern Chinese Communism, skipping all the intermediate stages that Marx had prescribed, cannot but be commended because it has abolished the barbarism that Tibet's own form of Buddhist

Lamaism had cruelly inflicted on the people. But it has also taken away with it what Tibet was traditionally known for—its mysticism and innocence—untouched by modern civilisation. Modernity has come to Lhasa, and presumably to the rest of Tibet, and it is here to stay. There are still some horse carts winding up Lhasa's steep hills but for the most part they have been replaced by sturdy Chinese trucks and Jeeps. Women still carry babies strapped on their backs, but all over town are nurseries in which they can keep them while they work. Most of them have abandoned their traditional elegant bakus in favour of masculine jackets and trousers. Even in cultural shows, amateur groups sing the praises of Chairman Mao and Chairman Hua in preference to their ancient deities.

This is of course the price Lhasa has paid for becoming an integral part of China. Tibet is one of the "autonomous" provinces of the country, but its autonomy is at best limited to the narrow exercised right to pass local laws and impose local taxes. Tibet has made much economic progress in the past two decades and is now vying with the rest of China to solve the Four Modernisation problems. The country's leaders have prescribed. Autonomy also means acceptance of the Han influence and way of life. Hans have been in Tibet now for more than 20 years and their numbers are increasing. They occupy key posts. Most of the officials in charge of organising communes—the entire country is now organised into some 2,000—or industry or education and health, are Han.

They say they have come to serve for after all Tibet is now an integral part of the motherland, and they will return when they are not needed. But they also admit they have been here for nearly 20 years and say Tibet is far from developed. Hence, they can place no time limit for their stay in Tibet. Many have married Tibetans, others have brought their families with them. The feeling is unavoidable that they are here to stay, especially as they speak of the difficulty of acclimatising themselves to life in the plains of China. The only ancient part of Tibet that remains untouched is its harsh, geographic ridges of craggy hills on the high plateau and the dust that swirls through the streets when the wind blows shrilly, and valleys in which Lhasa is located.

Swiss banks warned on expansion

SWITZERLAND'S big banks have been warned not to expand their market share by the country's Federal Cartel Commission. The body states in a special report on concentration trends in Swiss banking that "as a whole" competition is still functioning within the banking system. It draws attention to extreme growth in the relative importance of the big banks between 1955 and 1976 and says there should be no further "decisive" increase in their overall market share. Between 1955 and 1976 there was a rise in the share of the three biggest banks—Swiss Bank Corporation, Union Bank of Switzerland and Credit

Suisse—from 24 per cent to over 44 per cent of the banking system's total domestic and foreign balance-sheet total. The increase in share for the 20 biggest banks was less marked, from 60.2 per cent to 68.6 per cent. The report is nevertheless in favour of maintaining the existing structure of the Swiss banking system as it offers the public a choice between various banks. Any merger between two of the three big banks would be "economically undesirable." The Cartel Commission also recommends that banks' participations in non-banks should be published, as well as board memberships in public companies.

The various recommendations are not binding, however. In Switzerland, the cartel authorities can take steps only when it is proved that an existing cartel agreement is not in the public good. The report—which the Commission stresses had been called for before anything was known of the "Chiaso scandal" or the Social Democrats' referendum campaign to put new controls on banks—does not expressly state that competition still works in the banking sector. Commission President Professor Walter Schlupe says that the Federal Banking Commission is interested in its findings. The Banking Commission is directly responsible for control of the Swiss banking system.

Andreotti fails to form new government

Sig. Giulio Andreotti, the Italian Prime Minister designate, is considered almost certain today to report to President Sandro Pertini his failure to form a new administration following an uncompromising veto from the Socialist party. Rupert Corawell reports from Rome. Sig. Andreotti is likely to abandon his efforts to form what would have been his sixth government, this afternoon, after a final meeting with his own Christian Democrat Party. AP adds: Sig. Enrico Berlinguer has indicated his willingness to step down as leader of the Italian Communist Party. But in a speech released yesterday, he has left his future as secretary-general of the party up to his comrades.

NIGERIA GOES TO POLLS TODAY
A test of political maturity

NIGERIA'S 48.5m voters will get their first taste of democracy today as they go to the polls for the first in a series of five ballots for a U.S.-style Government with an executive President. The vast undertaking is being canvassed here as a democratic model for the rest of Africa and a major test of the country's political maturity after 13 years of military rule. All sides in the election have appealed for calm and the present military Government has warned it will take a hard line against instances of "thuggery" or ballot rigging. The five parties involved in the elections are fielding a total of 6,173 candidates for the presidency, the Federal Senate and House of Representatives, state Governorships and the state Houses of Assembly. All the candidates have been screened to check on their honesty and suitability, a process which disqualified 2,555 people. The disqualification of one of the five Presidential candidates caused an explosion of violence in the northern town of Kano recently. Alhaji Aminu Kano, leader of the People's Redemption Party did not fulfil the condition that aspiring politicians had to produce proof that they had correctly paid all their taxes for the past three years. The banning of Al Haji Aminu provoked considerable unrest in Kano, the party's stronghold. But this has since been brought under control. The party has said it will appeal against the ruling and is keeping Alhaji Aminu as its leader for the

elections. The screening has all been done by the Government appointees but independent Federal Electoral Commission (FEDECO). It is this body which has supervised the organisation of the election including the erection of 97,000 polling booths up and down the country and the distribution of millions of voting slips. Although there have been no incidents of violence reported this week, tensions are running high as people prepare to vote tomorrow. The first election is for the 95 members of the federal Senate, to be followed on successive Saturdays by voting for the 449 members of the federal House of Representatives, 1,347 members of the House of Assembly in each of the 19 States and the election of a Governor for each of the States. Then on August 11 there will be an election for the federal executive Presidency, seen as crucial because of the wide ranging powers which the President will have under the new Constitution. The Constitution requires that to be elected on the first round, the candidate must not only have the largest number of votes, but also needs one quarter of the votes in two thirds of the States. If, as seems likely, no candidate achieves that figure, an electoral college, composed of the two federal bodies, the Senate and the House of Representatives, will select a President. It stresses that the election situation were careful to con-

tain the centrifugal forces of Nigeria's 19 states. At the same time they emphasised the federal nature of the country by giving powers to regional assemblies. The tribal divisions shown during the Nigerian civil war in 1967-70 are far less in evidence but nonetheless important. Each of the five parties has support in one or other area of the country and presidential candidates have tried to broaden their support by choosing a running mate from another part of the country. The division of loyalties among the candidates, and the complexity of the voting system, have therefore made any prediction of the outcome very difficult. However, two men are emerging as the strongest contenders for the Presidency and are also leading the parties which appear to have the most support. They are Alhaji Shehu Shagari of the National Party of Nigeria (NPN) and Chief Obafemi Awolowo of the Unity Party of Nigeria (UPN). At present, Alhaji Shehu is considered to be the front runner, thanks to his party's fairly broad based support throughout the country and his team of politicians who were prominent between independence in 1960 and the military takeover in 1966. At 53 he is also by far the youngest of the candidates. He comes from the northern Hausa-Fulani group and has an Ibo running mate. However, he is considered a colourless figure in an election where personalities count a lot

and he is certainly no match for Awolowo. The only Yoruba presidential race, is between the leader of the federal opposition in the post-independence parliament and was at one stage imprisoned by the Government. The other presidential contenders were also political figures: five-1968. The best known of them is Nnamdi Azikiwe, the country's first President, who at 75 is still leading the Nigeria People's Party (NPP). The other two presidential contenders are Alhaji Waziri Ibrahim of the Great Nigerian Peoples Party and the now disqualified Alhaji Aminu Kano. There is a noticeable absence of ideology among the parties. Both Shagari and Awolowo have promised better living conditions for everyone. Broadly speaking, Shagari has been more vocal in his support for free enterprise and more Western investment while Awolowo has made free education and health services for all a central plank in his speeches. On foreign policy the two issues remain the future of the Zimbarwa Rhodesia and the possibility of Britain recognising the Government of Bishop Abel Muzorewa. Ghana's President will be elected by a simple majority in Monday's run-off vote, Mr. Justice Kingsley-Nyirah, the electoral commissioner said yesterday. The run-off is between Mr. Kofi Liman of the People's National Party, and Mr. Victor Owusu, of the Popular Front Party.

Oil prices lift German costs

THE WEST GERMAN cost of living rose again in June by 3.9 per cent against the same month a year ago. The May figure was 3.7 per cent and the April one 3.5 per cent. Figures released yesterday by the Federal Statistical Office show that another surge in the price of heating oil—almost double that of June, 1978—is a big factor in the latest overall increase. The Government has already complained to the oil companies

for concentrating on heating oil price increases while holding petrol prices relatively stable. Bonn agrees that oil price increases are inevitable, but wants to see the increases in sectors where there will be an immediate energy saving stimulus. Sharp price increase at the petrol pump are likely to be much more effective in this respect, since higher heating oil prices will only be felt when consumers receive their bills months later.

Our Foreign Staff adds: Count Otto Lambdorsff, West German Economics Minister, yesterday gave public backing to the Bundesbank's tight monetary policy when he called on the central bank to counter accelerating inflation with a prudent curb on money supply. Count Lambdorsff's remarks, made in Munich, appear to reinforce the possibility that the Bundesbank will decide a further increase in bank rate

West Bank compromise

Egypt and Israel, with U.S. assistance, reached their first compromise yesterday in their negotiations on Palestinian autonomy, Roger Matthews writes from Cairo. After the fourth round of talks ended in Alexandria, it was announced that two committees would be set up—one to make proposals on a Palestinian authority on the occupied West Bank and Gaza Strip, the other to discuss the powers the authority would exercise.

Australia talks fail

Government-union talks, held to seek a solution to Australia's mounting industrial problems, broke up without any result yesterday. Andrew Clark reports from Sydney. Representatives of the Australian Council of Trade Unions rejected calls from the Government to forsake the strike weapon and revert to industrial arbitration. IMF warns U.S. The U.S. and other countries experiencing high rates of inflation have "no alternative but to pursue firm and unequivocal monetary restraint," M. Jacques de Larosiere, IMF managing director, said in Geneva yesterday. Jurek Martin writes. The managing director also singled out the U.S. for specific mention when he spoke of the need for the industrialised world to come up with effective policies to reduce oil consumption.

World economic balance will shift

THE SOLUTION to the world's economic problems between now and the end of the century will require much closer co-operation between the industrialised and developing countries, a report on long-term economic prospects, published by the OECD today, says. The report is prepared by an independent team of international experts under Prof. Jacques Lesourne, of France. It stresses that the economic balance between different nations and groups of nations will change substantially by the year 2000. The U.S.'s huge resources will ensure it remains in the vanguard of the world's nations, but its role may diminish because of its declining share of world incomes. The report also foresees a major economic power, coupled with the industrialisation of South-East Asia and the growing strength of China, is likely to create a new important world economic centre in the Far East in the second quarter of the 21st century. The OPEC countries and Latin America will also become major economic zones. But the EEC's share of world income will decline and all European countries will face difficult problems of structural adjustment. The Soviet Union is likely to reach the peak of its power towards the end of the century. The internationalisation of industry will be one of the main factors behind the growing interdependence between the developed and the Third World. Highly industrialised countries will become involved in fierce competition in the advanced technology field, and more traditional industries will shift progressively to the newly industrialised countries. By the end of the century, the Third World, including China, might account for 25 per cent of world industrial production. Its share of international trade (excluding China) could well rise from 12 per cent at the beginning of the 1970s, to between 18 and 22 per cent. The industrialised countries are likely to have more moderate rates of economic growth, both because of external and internal constraints. These include the relative scarcity and high price of energy and the resulting monetary problems, and a decline in the estimated rate of return on investments and growing concern about inflation. The middle-income developing countries have excellent growth prospects. Industrialised countries provide them with markets and part of their financing requirements. The leading group of these countries may have an average per capita income in excess of \$2,500 (at 1976 prices) at the end of the century for a combined population of 760m. But the prospects of the poorest developing countries will improve very slowly. The report rejects extreme strategies such as giving absolute priority to economic growth and essentially defensive policies aimed at cushioning the social consequences of the international economic situation. Advanced industrial societies can no longer plan their future on the basis of purely national objectives, it says. They will have to pay particular attention to the economic difficulties faced by the developing countries, on whom they will become increasingly dependent for their own prosperity.

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EEC modifies directive on unfair advertising

THE European Commission has modified its controversial proposed directive on misleading and unfair advertising. It will allow complaints against industry practices to be handled in the first instance either by independent supervisory bodies or in the courts. As originally drafted four years ago, the planned directive would have required the courts to deal with all complaints. But the Commission has decided to amend. The broad aim of the directive is to bring misleading advertising within the scope of the law. In several EEC countries, in-

Irland counts cost

Irish businessmen and consumers are counting the latest cost of the recent four-month postal strike—a 20 per cent increase in postal and telephone charges, our Dublin correspondent writes. The increases are to cover both the pay settlement awarded to Post Office workers and higher interest charges from capital spending on telephone development.

U.S. auto market tumbles 26%

THE U.S. car market took a dive in June under the impact of the petrol shortage and a slowdown in consumer spending. Sales of domestically-produced cars tumbled by 26.3 per cent compared to the same month last year, while imported makes gained a modest 8.3 per cent. This is a significantly lower rate of increase for foreign makes than in recent months during which their sales have ridden a strong crest of demand for fuel efficiency. It is possible that importers might have sold more than their June total of about 202,500 but for extremely low stocks. Japanese dealers, for example, had only 89 days' supply at the end of May, compared to 55 days a month earlier, and 129 days at the end of January. The combined total of 202,400 foreign and domestic sales was 26.5 per cent lower than in June last year, and implied an extremely low annual selling rate of about 9.3m units. This was one of the lowest

levels since 1975 and contrasts with the 11.3m passenger cars sold in the U.S. last year. General Motors, Ford and Chrysler sales are now 10.1 per cent lower than in the first six months last year. Ford suffered particularly badly last month, registering a 32.4 per cent drop in sales, but American Motors fared worse, with a 37 per cent decline. Details are not yet available, but it is certain that the slump in demand for large cars continued in June, adding to the growing inventory problems. Among the foreign companies, Volkswagen, now a domestic U.S. producer as well as an importer, continues to have a banner year with total sales some 46.5 per cent higher than a year ago. Refinery operating capacity also rose sharply, from 86.1 per cent to 89.4 per cent, though most of the gain in output went to distillates (diesel and heating oil) rather than petrol, which 7.1m barrels a day were produced. This is the second week that fuel figures have improved, and they coincide with a sharp reduction in queues at petrol stations. However, economists still warn that it is too early to be sure that the worst is past.

General Motors June 1979 406,371 June 1978 543,467 per cent down 25.2 Ford 183,907 down 32.4 Chrysler 82,730 down 27.5 Volkswagen 15,136 down 37.8 American Motors 12,753 down 37.8 Total 700,897 949,849 down 26.2

LEADING IMPORTS 6 months 1979 6 months 1978 Toyota 235,130 237,973 down 1.2 Datsun 235,732 189,000 up 24.7 Honda 190,809 148,475 up 28.5 Volkswagen 170,061 116,054 up 46.5 Mazda 78,228 31,571 up 148.2 Fiat 22,728 23,571 down 3.4 Volvo 20,728 23,571 down 11.8 Jag Rover Triumph 22,444 24,943 down 9.9 Includes VW's U.S.-made cars.

London Life; Post Office delays. If you've recently filled in a coupon requesting details of a London Life assurance policy or unit-linked investment, you may be surprised at not having received a reply. This is probably the result of recent problems experienced by the Post Office, which have delayed considerably delivery of mail. If you are waiting to hear from us about any of the range of policies listed opposite you are invited to telephone Jeremy Compton on 01-626 0141.

Romania walks out

Romania has walked out of a top-level Warsaw Pact conference in East Berlin and has refused to endorse a statement which bitterly attacks China. Leslie Collett reports from East Berlin. The dissent is the most serious since last November's refusal to go along with a Russian demand that Romania should increase its military budget.

Boat people' pact

The Indonesian and Malaysian Governments have agreed to co-operate together to push Vietnamese refugees' boats back into international waters, our Jakarta correspondent writes. The agreement is effective immediately. The new policy follows talks between the countries' two Defence Ministers and President Suharto.

Turkey reserves up

Mr. Bulent Ecevit, Turkish Prime Minister, said yesterday that Turkey's foreign currency reserves had gone up to about £800m from only £380m a year-and-a-half ago, when his Government came to power. Our Ankara correspondent reports. Turkey's export earnings went up by 36.4 per cent in the first five months of 1979, Mr. Ecevit added.

Petrol stocks rise continues

By David Lazzelles in New York. U.S. PETROL stocks continued to rise last week to a point where they topped the comparable level for the year before, the latest report of the American Petroleum Institute shows. As of last Friday, inventories stood at 231.5m barrels, some 4m barrels higher than the week before, and 2.4m higher than last year. Refinery operating capacity also rose sharply, from 86.1 per cent to 89.4 per cent, though most of the gain in output went to distillates (diesel and heating oil) rather than petrol, which 7.1m barrels a day were produced. This is the second week that fuel figures have improved, and they coincide with a sharp reduction in queues at petrol stations. However, economists still warn that it is too early to be sure that the worst is past.

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London Life logo and text: Over 170 years of service and security.

Advertisement for 'Kutub al-Ahwal' (The Book of the State of Affairs) with Arabic text.

UK NEWS

Doubts over Lloyd's checks

BY JOHN MOORE

THE LLOYD'S of London insurance market is concerned that important self-regulatory mechanisms broke down when underwriters insured computer leasing business.

within the financial guarantee category is that a policy should not cover assured for the shortage of receipts, sales or profits of any venture.

Computer leasing insurances were arranged by leasing companies to insure against their customers terminating leases earlier than the contract date.

Adam Brothers, a specialist insurance broker which drew up "non-appearance" insurances for actors, designed the computer leasing policy.

Few petrol shortages for Europe holiday drivers

BY IAN HARGREAVES

MOTORISTS taking their cars to the Continent this summer should encounter little difficulty in finding petrol.



Broker suspended from dealing

BY CHRISTINE MOIR

MR. JEREMY BURGE, senior partner of the stockbroking firm Messrs Burge and Co, has been suspended from dealing for six weeks after the failure of his appeal against a disciplinary committee of the Stock Exchange.

UK factory given £1.5m Euroloan

By Kenneth Gooding, Motor Industry Correspondent

THE European Investment Bank, the EEC's long-term finance institution, has granted a low-interest loan equivalent to £1.5m towards a new factory at Skelmersdale, Lancashire, to make turbochargers for diesel and petrol engines.

Fight for State air route opens

BY LYNTON McLAIN

THE BATTLE to break the British Airways monopoly on the lucrative London-Aberdeen route starts at a public hearing next week when Dan Air makes its case for providing service.

Hay-fever drug is barred

By Sue Cameron, Chemist Correspondent

THE SALE of medicines containing the anti-histamine drug methapyrilene has been banned by the Department of Health.

Lords move delays Burmah shares case

Financial Times Reporter

BURMAH OIL's court case against the Government and the Bank of England over the company's former stake in BP will not start in October, as had been expected.

New town chairman worried about aid

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

A STRONG plea to the Government not to make radical changes in the way assistance is given to development areas was made yesterday by Mr. Dennis Stevenson, chairman of Aycliffe Development Corporation in Co. Durham.

Development corporations may build for sale

BY MICHAEL CASSELL

THE GOVERNMENT has lifted restraints on new town development corporations building houses for sale.

Furniture sale totals £513,230

A LOUIS XV ornolu-mounted tulipwood and kingwood marquetry secrétaire, a Chantilly stamped J. P. Dubut Jme. sold for £40,000, plus the 11.5 per cent buyer's premium and VAT.

Gas carrier out of mothballs

BIBBY LINE of Liverpool is to put into service a £32m liquefied petroleum gas carrier that has been in mothballs for 20 months.

Lord Mayor visits Madrid

THE LORD MAYOR of London, Sir Kenneth Cork, leaves tomorrow on an official visit to Spain, the first such visit since Sir Harold Gillett's to Madrid in 1959.

Bookings good

Ferry operators say that bookings for the rest of the summer are good, after a slow start caused by bad weather, and that fears about petrol shortages, more serious in the UK than elsewhere in Europe, have affected business little.

Cash plea for new Heathrow tube

BY LYNTON McLAIN

LONDON TRANSPORT requested money yesterday for a Tube line to the proposed fourth terminal at Heathrow Airport, although the Government has not yet approved work on a £20m building.

the petrol situation might do real damage this year," the company said. European Ferries said that its bookings were generally "as good or better than last year."

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The Budget, Finance Bill and new directions for the British Economy are topics to be discussed at this Financial Times Conference to be held in London on July 23 & 24. Speakers will include:

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Mr B W Sutherland, Chairman of the Taxation Committees of The Association of British Chambers of Commerce and of The Institute of Directors
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A FINANCIAL TIMES CONFERENCE

Cost of drink to industry

DRINK might be costing British industry 15m days' work a year, Mr Reg Prentice, Employment Minister, said yesterday.

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UK NEWS

Phillips makes new oil find in North Sea

BY KEVIN DONE, ENERGY CORRESPONDENT

PHILLIPS PETROLEUM has made a significant oil discovery in the North Sea, about 160 miles north-east of Aberdeen.

The find, named the Tiffany Structure, is in the same block as the earlier Thelma and Tomi discoveries.

Eight wells have been drilled on the block. The latest discovery considerably enhances the prospect of a commercial development in the area.

Block 16/17 is proving to have one of the more complicated geological structures and Phillips is likely to drill more appraisal wells before committing itself to an expensive development programme.

Phillips is operator for a five-member group which includes Petrobra, Agip, Century Power and Light and Oil Exploration (Holdings).

The find is important, but is much smaller than suggested in rumours which swept the City earlier this week.

By Thursday the share price of Oil Exploration (Holdings) had risen to a new peak of 366p, but fell back yesterday to 322p.

This latest well, 16-17-8a, was drilled to a depth of 15,080 ft. The oil-bearing zone, over an impressive depth for this part of the North Sea of 1,300 feet, was tested at three levels.

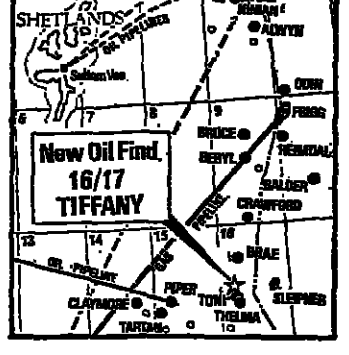
The tests produced flows ranging from 2,300 barrels a day to 8,300 of a fairly light crude (33 degrees API quality).

A small amount of natural gas was tested, but the ration

of gas to oil was lower than in other important wells on the block.

The Thelma discovery well, drilled in 1978, produced a flow of 6,000 b/d, and the Tomi well 10,000 b/d.

The Tiffany Structure is about four miles north of Tomi



and seven north of Thelma. They are too far apart to be developed from one production platform.

Phillips refused to estimate recoverable reserves in the block. Industry estimates have suggested recoverable reserves of 300m-450m barrels, and the latest well could have added 50m-100m barrels.

More appraisal wells must be drilled before a more definitive estimate is made. Phillips said yesterday that a ninth well would possibly be drilled later this year.

Public spending to be cut by £424m

BY PHILIP RAWSTORNE

PUBLIC EXPENDITURE will be cut by £424m in 1979-1980, according to Government estimates published yesterday.

Revised estimates for the year reduce by £588m the expenditure planned by the previous Labour Government. At the same time, supplementary estimates provide for an increase in some votes of £164m.

Total expenditure now envisaged is £51.7bn compared with a figure of £52.6bn published in the Budget report and financial statement.

The revised estimates represent overall reductions in the volume of expenditure and reflect some of the cuts announced in the Budget. These reductions include £189.7m in regional development grants and provision for the national enterprise board; £596m in overseas aid; £45.7m in the special temporary employment programme; £65m in other employment subsidies and £58m in the Manpower Services Commission programme.

Several of the supplementary estimates provide for expenditure deferred from last year because of Civil Service industrial action.

The increased estimates include £68m to cover the cost of further development of the Rolls-Royce RB311 engine; £42.8m for export credit services and £30m for work on the Thames flood barrier and other drainage and agricultural schemes.

Official figures show 15% decline in machine tool orders

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

A BIG DROP in orders for the machine tool industry in the first quarter of this year is shown in official figures published yesterday.

Orders in December to March fell 15 per cent from the previous quarter. Export orders fared worse than home orders, against the trend in the engineering industry, where exports have been the more successful. Export orders fell 18.5 per cent and home orders 13.5 per cent.

Machine tools are often taken to be an indicator of general capital goods spending. On the basis of these figures, the downturn in the capital goods spending cycle, forecast to take place

this year, could be quite pronounced.

The Department of Industry, though, which collects the statistics, says "the monthly seasonally adjusted figures show that recorded movements in both home and export markets have been more than usually volatile, suggesting that the situation is not yet a settled one."

The Machine Tool Trades Association said yesterday: "Indications from our members do not show the sort of drop in business implied by the Department of Industry figures, and we are puzzled to explain the discrepancy between our own and the official figures."

Electric heating group to mould plastics

BY OUR BELFAST CORRESPONDENT

THE ULSTER Glen Electric group, the UK's largest manufacturer and exporter of electric heating appliances, will open a plastics mouldings division providing 120 jobs.

A new company, Glen Mouldings, begins production in a factory at Bangor, Co. Down, within two months.

It will manufacture plastic components, at present bought in for Glen's range of appliances. About 80 people will be

employed after two years, rising later to 120.

The group, established at Newry, Co. Down, six years ago, forecast a record £20m turnover this year. It employs nearly 600 in Ulster. The Northern Ireland Development Agency has a minority stake in it.

Glen Electric acquired the Dimplex home-heating appliance concern two years ago. It employs 250 in the former Dimplex factory at Southampton.

Construction training body imposes extra levy

FINANCIAL TIMES REPORTER

THE CONSTRUCTION Industry Training Board has announced a 30 per cent supplementary levy for most employers as a result of Budget expenditure cuts.

The increases, the board said, were "an emergency measure" to meet the shortfall in Exchequer support for the board's training programmes. Training policies and operations are to be comprehensively reviewed.

Meanwhile, the board is to cut its spending immediately. It emphasised yesterday that the extra levy was not being placed on skilled civil engineering workers and that there would be no cuts on training or grants or on the increases in grants for 1979-80 notified to the industry.

The Budget cuts implemented by the Manpower Services Commission reduced the board's operating expenditure by nearly three-tenths and cut grants by 41 per cent.

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U.S. favours ban on commercial whaling

BY ALAN FRIEDMAN

THE U.S. is to call for an indefinite moratorium on all commercial whaling at the opening session of the 31st annual meeting of the International Whaling Commission in London on Monday.

President Carter, in a letter made public by Mr. Richard Frank, the American Commissioner to the IWC, calls for a worldwide moratorium to last "until there is an effective, comprehensive conservation programme for whales which will guarantee their continued survival."

The 21-member commission, established in 1946 to regulate global whaling, has recently been accused of failing to manage or conserve dwindling stocks. Dr. Lee Talbot, conservation director of the World Wildlife Fund, joined Sir Peter Scott and others in calling last week for British support for a ban on whaling.

The political impact of the first U.S. call for a moratorium will be greatest on Japan, the world's second largest whaling nation. The Japanese, who have steadfastly opposed any bans, have threatened to walk out of the commission if a moratorium is passed.

The resolution must enjoy a three-quarters majority to come into effect. There are only seven whaling nations within the commission. A binding vote is thought unlikely, but it is quite possible that a moratorium will be passed by a simple majority.

The U.S. thinking is that this would provide leverage for curtailed whaling and possibly a whaling ban for a year.

Australia and Seychelles will also table measures calling for a moratorium on international whaling. The Australians are urging a worldwide whaling ban on several grounds, including a government declaration that whaling is unethical because of the high intelligence potential of whales and the inhumane slaughter method.

Seychelles is calling for an unprecedented whale sanctuary in the Indian Ocean, where all whaling will be prohibited.

The U.S. moratorium proposal is based on four main grounds: "The increase in the number of pirate whaling ships operating outside commission control; The scientific data on which the commission bases its quotas are inadequate and incomplete; The commission's budget is so low that there has been little research; The commission "management procedures" introduced

in 1974 to manage conservation, have failed.

The Japanese government is under increasing pressure for its whaling activities. Japanese seamen's unions sponsored a luncheon on Thursday to argue their case. They claimed many livelihoods were at stake and that the "outside world" had no right to force Japan to abandon its whaling activities.

Most experts agree there are now less than 1,000 people directly employed in Japanese whaling. The Japanese claim that tens of thousands of jobs are at stake.

Mr. Frank countered their claims by saying Japanese whaling amounted to "a small economic factor." A former environmental lawyer, he argued that the bulk of world opinion favours a whaling ban.

Despite claims that whale meat is a significant portion of the Japanese diet, experts say it accounts for only 1 per cent of Japanese whaling companies' lost \$20m on operations last year. The Government subsidised the whalers by about \$10m.

The Commission, which begins its five-day meeting at the Cafe Royal on Monday morning, will hear an opening statement from Mr. Allan Buchanan-Smith, the Minister of State responsible for the British position on whaling. He may announce UK support for a moratorium. It is widely believed he will institute a ban on whale product imports.

Tomorrow afternoon a consortium of anti-whaling groups holds a rally in Trafalgar Square to protest about continued whale activities. Sir Peter Scott, Spike Milligan and David Bellamy are scheduled to appear.

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County's water rates 'too high'

BY ROBIN REEVES, WELSH CORRESPONDENT

A GOVERNMENT decision to use the Civil Service dispersal programme would be "economic madness," Mr. Campbell Christie, assistant general secretary of the Society of Civil and Public Servants, said yesterday.

Mr. Christie, Cardiff, urged union branches and local authorities to campaign to retain the planned dispersals, arguing that the programme would reduce overall public expenditure.

A recent Strathclyde University study had concluded that the programme, involving moving 31,000 civil servants out of London, would produce a net

resources gain for the UK economy of £200m, he said.

The Government started a review of dispersal when it took office. It is widely expected to announce the axing of large parts of the programme this month, "as a contribution to public expenditure savings."

Mr. Christie, however, has placed a question mark over the transfer of the Export Credit Guarantee Department's 800 jobs, although this is well underway, and 4,250 jobs in the Ministry of Defence by 1983-84.

Completion of the dispersal programme, involving moving 31,000 civil servants out of London, would produce a net

LABOUR

Post Office deal boosts hopes of more efficiency

BY NICK GARNETT, LABOUR STAFF

THE POST OFFICE improved its prospects of negotiating improved efficiency with the Union of Post Office Workers by agreeing yesterday to consolidate all outstanding pay supplements for the union's 200,000 members.

Mr. Norman Stagg, the union's assistant general secretary, said last night that the deal was a breakthrough. It created the right climate for further discussions with management on pay and productivity. These talks are due to begin in earnest next week.

The Government warned earlier this week that it would review the Post Office letter monopoly unless it improved efficiency in the postal division.

The interim 10.2 per cent pay settlement agreed by the Post Office union earlier this year included consolidation of threshold payments made under the last Conservative administration.

Payments under Phase One and Two of the Labour Government's pay policy totalling about £8.50 remained unconsol-

dated, however. One of the union's main targets was to consolidate these into basic rates for overtime purposes.

The Post Office initially had made a consolidation offer to the union's 150,000 postmen, but not to its 50,000 telephone operators, telegraphists and coast radio officers. The offer was eventually extended to all members.

In return, the union sent out telex messages to all its branches yesterday urging members to co-operate as much as possible with management in clearing the post backlog.

The Post Office is thought to have estimated that consolidation will add 5 per cent or £23m to the total wage bill. The sum is large because 48 per cent of postal workers work overtime, some for a considerable number of hours.

The management, however, still faces considerable problems with the union on pay and productivity.

Mr. Tom Jackson, general secretary, has so far insisted that apart from consolidation, the Post Office must top up the

10.2 per cent settlement to the going rate set by other Post Office unions. The union has been taking the view that this is at least 7 per cent.

But consolidation is such an important element in the wage packets of such a large number of postmen that it is likely to moderate further pay talks.

So far, Mr. Jackson has maintained that any major productivity changes the Post Office wishes to negotiate must be paid for on top of basic pay increases and consolidation.

The Post Office is seeking further use of casual and temporary staff, a better process for diverting mail from one office to another, and work measurement.

A national ballot earlier this year, however, rejected a pay offer linked to the use of temporary staff. The rejection was due largely to the productivity element.

The union is prepared to negotiate on work measurement and on diverting mail, but says it will not give up the present right to negotiate the latter at local level.

Chrysler serves writs on pickets

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

CHRYSLER UK yesterday served writs to remove pickets from inside its Ryton assembly plant at Coventry, where 2,000 workers have been on strike for the past week.

The company took the action to ensure the safety of the plant. It was insisted locally and is not viewed by union leaders as provocative.

But the threat is increasing of a major strike which could cut down the company's operations. An initiative by the Advisory, Conciliation and Arbitration Service, which brought unions and management together for nearly ten hours of talks in Birmingham, made little progress.

About 3,500 employees at the Stoke engine factory will walk out next Tuesday in protest at the company's refusal to improve its 51 per cent pay offer. Action by Stoke, which supplies components to Linwood, Scotland, for assembly of the Avenger and Sunbeam models, would quickly bring Chrysler to a standstill.

Shop stewards are demanding an increase in basic rates. Chrysler, which is forecasting a £30m loss this year, insists the workers will earn more money only through a new incentive scheme. Negotiations on the scheme and related issues are continuing, but shop stewards appear adamant in their demands.

Workers at both Ryton and Stoke are aware of the potentially serious consequences for the company, but seem determined to risk a confrontation in what is expected to be a protracted strike.

Chrysler UK was taken over by Peugeot Citroen at the beginning of this year. The French company has given local management responsibility for turning round the loss-making operation. The new owners want higher earnings to be financed through improved productivity.

The document outlining the management's "minimum practical conditions" on which agreement is necessary if publication is to resume has been accepted by the National Graphical Association as a basis for negotiation and will be considered further by union leaders next week.

The company's list of demands is headed by agreement on a common disputes procedure and a guarantee of continuous production: two issues that have always been central to Times Newspapers' demands for industrial relations reforms.

More specific demands, in addition to the size of issues, include acceptance and operation of essential new and replacement equipment and equalisation of press room and publishing room working hours.

The document proposes that employees will be re-engaged from the date on which their chapels (office union sections)

Council white-collar settlement 'close'

BY GARETH GRIFFITHS, LABOUR STAFF

A SETTLEMENT of the local government white-collar pay claim, one of the last big negotiations of the annual wage round, appeared close after a day of talks yesterday.

Local authority employers made a formal offer worth about 9.8 per cent and promised an internal comparability study to 500,000 white-collar staff at a meeting in Norwich with the National and Local Government Officers' Association.

Union negotiators will recommend the offer to a NALGO delegate conference expected to be held later this month. The offer is 9.4 per cent on salaries and consolidation of a Stage One supplementary payment of £312 a year. The union negotiators estimated that the consolidation was worth 0.18 per cent.

Mr. Mick Black, chairman of the NALGO negotiators, said the offer was the best the union could obtain in the circumstances. He expected the membership to accept.

The comparability study will be by a team from NALGO and the employers' side of the National Joint Council for Local Authorities' Administrative, Professional, Technical and Clerical Services.

The union expects the results to be ready by January and will press for an early start. Any increases will be on top of the new pay award, including the consolidated allowances.

The 9.8 per cent offer does not include the cost of the social workers' settlement earlier in the year. The informal offer by the authorities two weeks ago included that settlement.

The offer will be backdated to July 1, and if accepted should add £186.4m to last year's pay bill of £2,070m. The increase is nearly double the figure of £93m allowed to the local authorities under a 5 per cent cash limit.

There was a demonstration of more than 400 council employees at the county hall in Norwich. The union claim was initially for 15 per cent and improvements in service conditions.

One issue that may cause controversy in forthcoming negotiations on the resumption of publication, suspended since November 30, is a company proposal that "existing mammoth levels will not be made up before publication by the introduction of new staff or casuals."

The company is proposing that any issue unsettled within six months of republication should be resolved by an independent chairman sitting with management and union assessors. That does not apply to the introduction of new computer-based typesetting equipment, on which a negotiated settlement will be sought within 12 months.

Between re-engagement and the resumption of publication, the staff would be paid at old rates, plus the last Newspaper Publishers' Association award, plus 5 per cent. New rates, backdated to the date of re-engagement, would apply when publication resumed.

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Comparability 'inevitable'

BY OUR LABOUR STAFF

THE CONTINUITY of some form of pay comparability exercise like that being carried out by the Clegg Commission seemed almost inevitable, Mr. Patrick Jenkin, Social Services Secretary, said yesterday.

The Government was pledged to honour the findings of the current Clegg investigations "though clearly we shall need to examine those findings with great care," he told a conference on health service industrial relations.

The Executive Council of the Merchant Navy and Airline Officers' Association has decided to seek a pay settlement based on protecting earnings and related to the Retail Price Index. This would appear to suggest a target of 20 to 30 per cent.

The union, which represents 44,000 officers, still intends seeking improved crew levels on the basis of a one-man-aboard, one-on-leave arrangement.

The shipowners have stood out against this and have attempted to reduce ship-manning levels and improve their competitive position with foreign carriers.

Merchant Navy pay move

BY ROBIN REEVES, WELSH CORRESPONDENT

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Dispersal 'will cut expenditure'

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Completion of the dispersal programme, involving moving 31,000 civil servants out of London, would produce a net

Building work down 7% in first quarter

BY MICHAEL CASSELL

CONSTRUCTION industry output in the first three months of 1979 was 7 per cent lower than in the preceding quarter, according to provisional figures published yesterday.

The Department of the Environment estimates that the current price value of contractors' work from January to March reached £3,928m, against £4,218m in the previous quarter. The constant price (1975) figure was £2,789m for the first three months of this year compared with £2bn in the previous quarter, and £2.8bn in the same period a year before.

New work output in the public housing sector on a constant price basis, in the first three months of this year was down

by 15 per cent on the fourth quarter of 1978, and by 20 per cent on the same period a year before. New private housing output was 16 per cent down on the last quarter of 1978, and 10 per cent lower than in January-March last year.

Housing is now causing increasing concern in government and industry circles. The number of starts in the first five months of this year was down to about 75,700, against 103,600 for the same period in 1978.

Local authority starts cannot be expected to rise above the current level recorded after budget moves to contain housing expenditure. The outlook in the private sector is no more encouraging.

£15m order for Tarmac

By Michael Cassell

TARMAC HAS won a £15.8m civil engineering contract for work on the Joint European Torus (JET) nuclear power experimental programme.

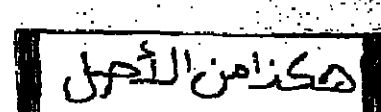
The JET international committee in Brussels chose Tarmac National Construction to construct the main buildings for the experimental complex, to examine electricity generation by thermal nuclear power at Culham Laboratories, Abingdon, Oxfordshire.

Work on the two-year contract involves building an experimental hall and ancillary buildings including a generator house, power supply compound and control building.

F.T.-ACTUARIES SHARE INDICES QUARTERLY VALUATION

The market capitalisations of the groups and sub-sections of the FT-Actuaries indices as at June 29, 1979, are expressed below in millions of pounds and as a percentage of the All-Share Index. Similar figures are also provided for the two preceding quarters.

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Market capitalisation as at June 29, 1979 (£m), % of all share index, Market capitalisation as at March 30, 1979 (£m), % of all share index, Market capitalisation as at Dec 30, 1978 (£m), % of all share index. Rows include Capital Goods Group, Consumer Goods, Non-Durable Goods, Financial Group, and All-Share Index.



THE WEEK IN THE MARKETS

Gilts climb the sterling ladder

Sterling has again stolen much of the limelight in the last week, touching at one stage the level of \$2.25, exciting nostalgia and challenging credibility. It has encouraged the gilt-edged market just as surely as it has kept equities in the doldrums.

Gilts followed up last Friday's strength immediately as the market opened on Monday: official supplies of the long tap Exchequer 12½ per cent 1990s were exhausted at once, and the market unrestrained by the presence of unsold stock was able to make substantial progress, rising by nearly 3 points on the day in the long high-coupon stocks. More headway was made over the next couple of days until the market ran into profit-taking on Thursday. Over the week the highest available redemption yields have come down from 13.1 per cent to below 12.7 per cent.

In the short run gilts face the danger that, as so often in the last few years, the market has run faster than the underlying environment and may require a downward correction before it can advance further. It is now looking forward to an easing in credit demand, a fall in interest rates and perhaps some improvement in the current account balance of payments for good measure. Although some overseas funds do seem to have been committed to the market this week, many foreign investors must have been keeping their money in the short money market which still offers a return of over 14 per cent.

On the equity side, the FT 30-share index moved in a very narrow band, dropping below 470 again on Thursday as sterling reached its highest level, but showing some slight recovery yesterday.

GEC dividend

These are testing times for GEC shareholders. The share price is \$500 compared with a high for the year of 450p and the yield, despite the 55 per cent dividend increase, is still only 2.6 per cent. Although pre-tax profits jumped 16.8 per cent to \$378.7m, concern has been voiced in broking circles that perhaps the company is going "ex-growth".

There is no doubting that the stock has underperformed the market over the past two months. But this to some extent reflects an overall reappraisal of the electrical sector which followed the sharp price surge in the closing months of 1978 and early 1979. And GEC, in particular, has been affected by some short-term pessimism about the impact of the strengthening pound on exports and overseas earnings.

It is this three-month horizon which seems to be dictating the share price movements. The longer-term perspective seems to be relatively bright. The massive cash resources, if successfully deployed, are the basis for longer term optimism. But that still leaves the question of whether the earnings growth will flow through to the shareholders in the form of dividend growth. GEC said that

"appropriate standards" in respect of yield and cover had not yet been established when announcing its dividend. As a result of the dividend disappointment the shares are likely to remain relatively flat in the immediate future. But, with several leading brokers bullish about the long term future, there is every chance that performance will improve.

Local v. National

Two of the brewing groups which reported their preliminary figures last week provide an interesting contrast in style and performance. Between 1970 and 1978, the regional brewers easily outstripped the nationals in terms of growth in pre-tax

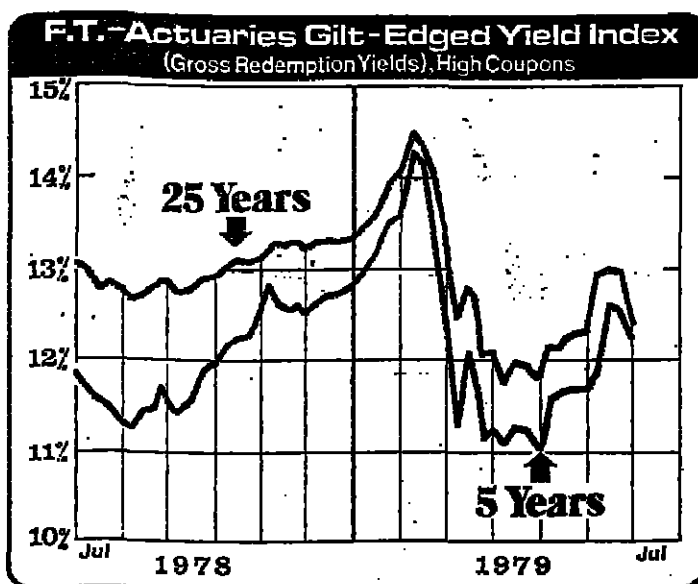
profits per share. Top of the leading regionals was Greene, King and bringing up the rear among the nationals was Scottish and Newcastle. Their latest figures confirm the trend. Stated earnings per share at Greene, King rose from 30.6p to 30.1p last year, compared with a fall to 8.5p from 10p at Scottish and Newcastle.

A basic problem for S and N has been distribution. It remains fairly strong in the north but needs to improve supply facilities in the south if it is to exploit the free trade potential and arrest the erosion

in its market share. Substantial capital expenditure is being devoted to the problem, but the long distances and low turnover, compared with the nationals, will keep unit costs high and rising oil prices are not helping. Some beers are still produced in Newcastle and packaged in Glasgow, an expensive anomaly. Lower distribution costs have been central to the price competitiveness of the regional brewers. Greene, King, for example, undercuts many of its rivals by 4p per pint in the free trade. It has expanded into the East Anglia stronghold but is conveniently placed to tap the London market if it needs to.

Hail MacBATs

On paper, International Stores, by way of its proposed acquisition of Unilever's MacMarkets food retailing subsidiary, leads its major competitors in terms of planned physical expansion in the current year. The acquisition means that International, a subsidiary of BAT Industries, will increase



Lively oil stocks are some comfort amid fuel worries

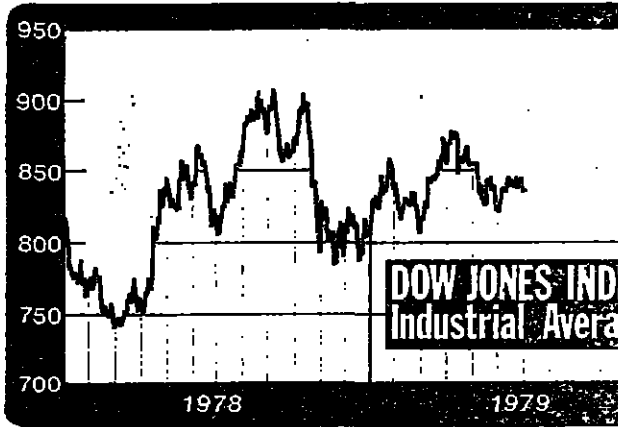
NEW YORK
JOHN WYLES

HAVING LAID in a store of black coffee and eyeshades to fend off the specific rigours of a major Presidential address to the nation, Wall Street has been forced to swallow its disappointment that President Jimmy Carter has decided to stay silent on his Camp David peak. In the early part of the week anticipation of a new White House initiative on energy provided some nervous distraction from the preoccupations of planning for a July 4 holiday without gasoline. But while investors share the widespread anger which has swept the West Coast in the past month about the gasoline shortage, many have been able to draw some comfort from the strength of oil stocks.

While the rest of the market has merely been taking the odd vitamin to fend off a chill, this sector has been on a veritable bodybuilding course. The OPEC oil price increases and their implication of substantial inventory gains has brought great muscle tone while the President's plans to decontrol domestic oil prices have added substantial strength. According to a survey by Interactive Data Corporation, the total value of New York Stock Exchange shares gained by \$18bn in the second quarter, but no less than 60 per cent of this increase was attributable to oil stocks.

By the close of trading on June 29, Standard Oil of Ohio had advanced by 12.8 per cent in the three-month period, Phillips Petroleum by 11.3 per cent, Standard Oil of Indiana by 10.9 per cent and Shell Oil by 9.1 per cent. Solid gains these, but the smaller oil and gas companies listed on the American Stock Exchange were

Monday 834.04 - 7.94
Tuesday 835.58 - 1.54
Wednesday closed for public holiday
Thursday 835.75 + 0.17
Friday 846.16 + 10.41



MARKET HIGHLIGHTS OF THE WEEK

Ind. Ord. Index	Price Ytd	Change on Week	1977 High	1977 Low
Govt. Secs. Index	73.57	+ 2.48	75.91	64.64
Barr and Wallace A	129	+ 15	167	107
Basset (G.)	113	- 7	130	102
Bath and Portland	51	+ 9	58	41
Burnett and Halkershire	400	+ 37	400	215
Gough Bros.	128	+ 62	130	59
Henderson-Kenton	116	+ 20	128	80
Hinton (Amos)	88	- 12	110	80
Ibstock-Johnson	82	- 8	109	82
ICI	332	- 13	415	332
Ladbroke	186	- 24	243	167
Oil Exploration	322	+ 34	336	210
Reznore	74	+ 9	74	63
Rivington Reed	31	- 4	72	30
Rowntree Mackintosh	194	- 18	229	174
SGS	257	+ 19	280	168
Shaw Carpets	60	+ 12	61	47
Shell Transport	362	- 20	402	278
Unilever	516	- 76	680	502

U.K. INDICES

FINANCIAL TIMES	Average week to	July	June	June
Govt. Secs.	73.19	70.68	70.72	72.22
Fixed Interest	74.51	72.36	72.59	
Indust. Ord.	473.4	471.6	481.1	
Gold Mines	162.1	158.7	163.0	
Do. (Ex 5 pm)	152.1	158.7	163.0	
Tel. bargains	17.42	16.055	15.008	

FT ACTUARIES	Capital Gds.	243.34	241.42	246.23
Consumer (Durable)	228.53	229.13	232.24	
Cons. (Non-Durable)	234.36	232.97	236.43	
Inds. Group	235.52	234.29	238.05	
500-Share	271.30	271.35	271.95	
Financial Gp.	193.33	196.94	190.91	
All-Share	248.67	247.45	249.30	
Red. Debs.	57.58	56.98	57.51	

WINE

EDMUND PENNING-ROWSELL

MANY PRICES at Christie's 500-lot final Bordeaux sale of the season showed distinct signs of flagging. This was perhaps due to rising sterling, the falling dollar and the very large flow of fine clarets through the London salerooms during the last six months.

Good prices included \$420 a dozen for Louville-Barton '45, \$540 for six bottles of Lafite '45 and \$640 for a dozen Lafite '53. Such rarities as three double-magnums of Petrus '66 made \$1,250, an imperial (equals eight bottles) of Mouton-Rothschild '66 brought \$440 and another of La Mission-Haut-Brion '66 \$310. But prices for most of the popular '61s and '66s were below their best earlier this year, and it looks as if a plateau has been reached. A '61 first-growth fetched per dozen from \$740 and \$680 respectively for Lafite and Mouton-Rothschild, down to \$520 for Haut-Brion, Latour and Margaux. The seconds ranged from \$280 for Ducru-Beaucallou and \$190 for Montrrose to \$150 for Rausan-Segla.

Little sign of a silver lining

WHILE the sun has been shining brightly this week, a cloud in the shape of the struggling potash mine in Yorkshire of Cleveland Potash has darkened the results for the year to March 31 of London's Charter Consolidated.

Charter has a 37½ per cent stake in Cleveland Potash and is partnered in the venture by Imperial Chemical Industries. The mine was begun in the late 1960s and something like \$120m of finance has been put into it. Charter's share of this would be about \$30m—but Cleveland has never made a profit.

The question now remains as to whether the partners will be prepared to put up more money in the hope that production will continue to improve. It is a moot point. Charter and ICI (which has a 50 per cent stake) have jointly voted \$3m to keep Cleveland going until the end of August, "before which time the future of the project will be reviewed by the partners."

Cutting losses, especially of this magnitude is a painful business and Charter has already had enough experience of this. But pain eases in retrospect and if Charter does decide that enough is enough

decided to take to production their small but good grade Teutonic Bore copper-zinc deposit in Western Australia. Costing some A\$38m (£19.4m) the mine is due to reach production in mid-1981 and seems likely to have a life of about seven years.

The Selection Trust group's 60 per cent stake in Teutonic Bore is part of the package of mining interests to be put into the new Seltrust Holdings which is to be launched in Australia later this year.

Fortunately for Gold Fields the bulk of its overseas income is received from the 48 per cent stake in Gold Fields of South Africa which is making money a good deal faster than sterling can climb. Now that UK dividend control has been lifted it will be hoped that Gold Fields will reward shareholders for their patience.

Incidentally, it has been suggested from time to time that Gold Fields might be persuaded to part with its stake in GFSA, presumably because of UK sensitivities to investment in South Africa. None of the proponents of this theory have to my knowledge satisfactorily explained how Gold Fields would replace the big revenue from GFSA which amounts to at least half of the parent's total income.

MINING

KENNETH MARSTON

Technical problems have stemmed from the fact that the potash seam is unusually undulating and varies both in thickness and grade. It is also deep, at around 3,800 feet, hot and to some extent gaseous, conditions which are not exactly conducive to maintaining a stable labour force in an area where there is no mining tradition.

Furthermore, it has not been possible so far to stow away underground the salt waste product. This has had to be hoisted to the surface together with the potash and as a result of all these factors mine production has barely reached half the design capacity.

But things have been looking up in recent times as, indeed, has the market for potash. In the past six months potash output has improved to 212,000 tonnes from a figure of 249,000 tonnes. Even Cleveland has still suffered a loss in the latest period of some \$2m.

Charter has now fully written off its remaining stake in the operation at a cost in the past year of \$20.2m which includes \$9.2m for guarantees in respect of Joan and leasing finance.

there is always the possibility that a deal may be done with ICI, which uses a large part of the potash product, and which may prefer to press on.

Until the Cleveland question is settled, Charter cannot embark on any major new developments and it is difficult to value the shares. But the company retains the important backing of its strong portfolio which has sizeable holdings in other leading mining finance companies and the group's various industrial activities are doing well.

Yielding 9 per cent on the latest modest increase in the dividend, the shares pay for their keep and could move ahead if it is decided to pull out of Cleveland. The market might well take the view that Charter's long spell of bad luck has to end some time.

On a more cheerful note, London's Selection Trust and Australia's MIM Holdings have

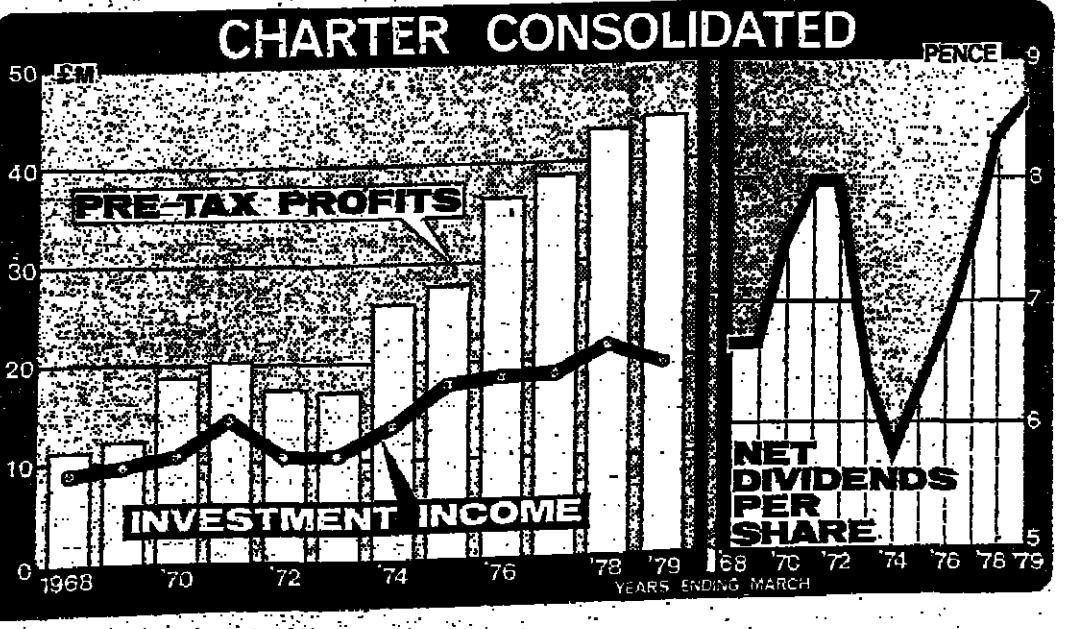
The theory has been well and truly nailed this week by Mr. Rudolph Aznew, group chief executive. He said: "We view our investment in GFSA as being extremely important as a continuing and growing investment. There is no question of our withdrawing from it."

A point that may not be generally realised about GFSA is that, unlike most of the other finance houses, it has investment company status. This means that it pays no tax on profits from the realisation of investments, provided that such profits are ploughed back into specified investments such as new mining ventures.

One of these ventures is the R180m (£97m) Black Mountain base-metal mine in South Africa's remote and arid north-west Cape where GFSA is partnered with Phelps Dodge on a 51-49 basis. The GFSA chairman, Mr. Adrian Louw says that this "very important investment" is on schedule and due to start production in the first quarter of next year.

It will handle the higher than average grade ore for the first five or six years in order to boost cash flow and repay loans. Thereafter dividends should start. Life prospects are very long with an annual milling rate of 1.12m tonnes and total ore reserves estimated at around 240m tonnes of which 38m tonnes are proven.

Finally, if like Gold Fields, you are holding good class gold shares which have already repaid their capital cost in dividends and are still going strong you will be looking forward to Wednesday morning. That will bring the publication of the Gold Fields' group June quarterly gold mining profits. They should reflect an average gold price of around \$260 per ounce compared with \$240 in the March quarter. Yesterday's bullion closed at \$289½.



If you have any capital to invest, you naturally want to make sure it's working as hard as it can for you.

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FINANCE AND THE FAMILY

No bed and no breakfast

BY OUR LEGAL STAFF

Before the end of the last tax year, I bed and breakfasted some shares through a broker on the London Stock Exchange to take advantage of the CGT rates on small profits. But I wondered whether I could have avoided the expenses of doing the deal this way by simply selling the shares to a friend one day and buying them back from him next morning. Is there any reason why this could not be done? Are there any traps I might not have thought of? (I don't imagine any stamp duty would be payable if there was no charge in registration.)

The fact that you have not seen this idea suggested has no doubt led you to suspect that it is fraught with problems.

If you are bed-and-breakfasting for a loss, the connected-person restrictions may negate the prospective loss relief.

If you are bed-and-breakfasting for a profit, or a loss, a major stumbling block will be to prove that, when you struck the bargain with your friend, it was an outright sale and he had absolutely no idea that you would ask him to sell the same shares back to you the next day (or shortly afterwards). Your friend might well be surprised to be offered a packet of shares for spot cash—and you would have to satisfy a sceptical body of Commissioners that there were no nods and winks which might have led him to suspect that you were proposing to use him as an entrepôt in a bed-and-breakfast double deal. If transfer deeds were not executed, stamped and lodged, it would be difficult to prove the dates on which the two independent bargains were struck.

This is no more than a brief indication of why other people have not been doing this for the past 14 years.

An inference of negligence

When collecting my car after servicing, I usually find that the auto-theft device has not been replaced and the keys are left in the ignition. It is negligence "as defined by the Unfair Contract Terms Act 1977," words quoted in their invoice? How can one prove negligence when one is not there? Is there anything you suggest I should do? We agree that negligence may be difficult to prove, though

sometimes the facts raise an inference of negligence. The habit of not locking and/or securing the car would seem to be negligent unless the car were in a secure compound. You can always advise the garage (in writing) that you regard a failure to lock and secure the car as negligent and request that it be properly secured when no one is in attendance.

Bank account under an alias

Referring to your reply under A bank account under an alias (June 18), if one were to establish one's identity in respect of, say, a bank deposit or some shares, what form would an action take? You would probably proceed in a civil court, i.e. the Chancery Division of the High Court, or if the value of the shares or bank account were less than £15,000, the County Court. The process would be by Originating Summons in the High Court or Originating Application in the County Court, in either case asking for a Declaration that the shares, account etc. are held for the absolute benefit of the Plaintiff.

Theft and a mortgage

A lady with whom I have been living and I have decided amicably to separate. She will require a house, but her income is such that we doubt whether she could get a mortgage. Could we overcome this by taking out a joint mortgage and then by my making over my share in the property to her? Under those circumstances could the building society insist on instant repayment? Should we run into CTT and stamp duty problems? The course which you mention would not only constitute a misrepresentation to the building society which would enable it to call in the mortgage if it learnt the truth, but it is likely also to constitute the criminal offence of theft. An assignment of the beneficial interest would attract Capital Transfer Tax (if the initial exemption has been used up) and stamp duty. You could take a perfectly lawful course of offering your guarantee of her mortgage. So long as there is a good equity in the house a mortgage loan

to her alone backed by your guarantee should be capable of being negotiated.

An insolvent estate

I am the sole administrator of an estate, whose value is less than money owed to me by the estate. I am thinking of improving a small property owned by the estate, but am concerned that I may not be able to keep the profit eventually. What should I do? Could I buy all the assets of the estate at an agreed price? You should not spend any of your own monies on the property, as any profit will accrue to the estate, not to you, when ever that profit accrues. The only way to achieve your object would be to set up a scheme which the court will sanction. As an administrator you cannot purchase assets of the estate, however fair the price, without risking having the transaction set aside. Again, your only course is to apply to the court to authorise the purchase at the price which you have in mind.

Assets after separation

In there any way of being certain of keeping one's assets intact in the event of a divorce or separation after living together, by means of a trust of some sort, which would stand up in court? Was there not a recent American case which throws light on the problem? There is no certain way of en-

An irregular marriage

A war widow and I decided to marry in 1972 and a house was bought in her sole name 3/5ths by her and 2/5ths by me. Later, however, she became apprehensive about losing her war widow's pension and we agreed just to live together. Having sold my home and business in Glasgow and including my furniture, I am worried as to what might happen should she decide to leave me. Could I refuse to sell my share and remain in the house? Would the recent case of Pascoe v Turner 1979 1 WLR 431 turn upon provisions of English law which have no application in Scotland.

surving both that your property remains under your control and that it cannot be interfered with by the court: the scope of the court's powers is very wide. American experience is no guide. However, if you enter into an express written agreement with your wife of mistress and can show that she was independently advised (and not subjected to any pressure) the court would probably not disregard the terms of the agreement if there has been no radical change in the parties' circumstances.

Maintenance and remarriage

I am a divorced person, my tax allowance is that of a single male, through a court order (provisional) my ex-wife was awarded £1,500 per annum.

No limit liability

I am the leaseholder of a flat on a lease of 99 years. There are 16 flats in the development and the freehold was retained by the builder who in exchange for an annual ground rent undertook to be responsible for the upkeep of the common parts. The freeholder is now desirous of selling the freehold to the owners of the flats for a nominal sum, and the majority of the flat owners do not wish to form a company for the purpose of owning the freehold on account of the cost of formation, and the work and cost of the annual return, etc. Can you advise me please, whether it is possible to purchase the freehold in the name of four of the flat owners with the four trustees completing the declaration of trust? Can you see any difficulties or pitfalls in this proposed procedure?

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

I contribute on a monthly basis less tax at 33 per cent and provide her with a certificate at the end of the fiscal year. Should I remarry, would you kindly advise as to my future tax allowance position... that is, if I claimed allowances for a married person would I have to contribute the whole £1,500 per annum with no tax credits allowable? No; remarriage will not affect your right to tax relief in respect of the maintenance payments to your first wife. Incidentally, from June 19, the net monthly payments should be increased from £83.75 to £87.50, viz 70 per cent of £125. The total amount overdeducted from payments falling due from April 6 to June 18 (inclusive) should be made good as soon as the current Finance Bill receives the Royal Assent; as the Finance (No. 2) Act 1979.

The course which you suggest is perfectly possible; but its main drawback is the absence of limited liability. Another major difficulty arises from the trustees leaving the flat, as they do not always remember to retire and appoint new trustees. A company limited by guarantee would undoubtedly be more apt, and the cost, split among 16 members, would not be unduly heavy.

Irregular marriage by habit and repute. That involves a couple who are both free to marry living together for a period of time where they are generally reputed to be husband and wife.

Any one of the couple can then bring an action in Court for Declaration of marriage—the decree in which is conclusive of the relationship. If you were to follow that course, should the lady with whom you stay put you out of the house, you would then be entitled in due course to bring divorce proceedings against her and claim a capital payment from her equivalent to the 2/5ths equitable interest in the house.

Packaged cover for a happy holiday

"I HAVE just been looking at the Holiday Insurance I have bought from my Tour Operator and I would like to have extra cover—what can I do?" This question was put to me this week, and while it admits of a fairly straightforward answer with the main family holiday season just beginning it is a good starting point from which to look at travel insurance now on offer.

Unless I am much mistaken most would-be holidaymakers are more concerned, at the time of booking their holidays, to see what is the additional cost of insurance premium for the cover arranged by their chosen tour operator rather than to read in detail the summary of cover in the brochure: with the cost of package insurance this year ranging up to 25 a head for the average 14 day holiday, and therefore a small percentage of the total booking bill, perhaps this is only natural.

But it must be remembered that the premium controls the contents of the insurance package, and while those contents may be and probably are fine for the majority there are bound to be a number of travellers who would prefer some different mix of cover, the deletion of some protection, or the arrangement of much higher financial limits. You may be one of these so it is clearly worth checking whether your individual needs are met by the insurance package that has been provided.

The best packages this year include cover for luggage up to £500, for money up to £100, and medical expenses of £3,000—each of these financial limits on a per person basis—but some packages provide appreciably less. In deciding whether your package cover is adequate, look not only at the top financial limits for each section but also at any "inner" limits there may be: for example in the luggage section there may well be a single article limit in the £50 to £100 range which might mean that you can be short of insurance if you are taking any items of value in excess of such limit. If you find that your package insurance cover is inadequate and you need for instance lower limits on the extra loss yourself, you can perhaps go to the tour

operator's insurers and get your existing cover topped up—but this will not be done by extending that existing cover, it will be done by the issue of a separate individual insurance tailored to your particular top-up needs. And I say you can "perhaps" do this, because not all the insurers who underwrite tour operators' packages will tour operators' packages will be "involved" with the individual traveller's particular needs, so you may need to shop

INSURANCE

JOHN PHILIP

traveller is entitled to medical treatment at least on similar lines to that provided by the particular European country and its own citizens. This can be less than for 100 per cent cover, for example, in France the British visitor gets 80 per cent of his hospital bills paid, 75 per cent of his prescription charges paid and 70 per cent of his doctor's fees met. Moreover, since the rules differ from country to country it is well worth carefully reading the DHSS leaflet which details the individual quirks of getting treatment elsewhere in the Common Market.

If you top up your package cover and subsequently have to make a claim, applying the normal insurance rules of contribution between policies providing indemnity against the same risk, you may well have to claim under both package and top up insurance and recover a proportion of your claim from each insurer. This comment is true for "baggage" money, medical expenses and liability cover: "bonus" for personal accident insurance, which is counted as a benefit, not an indemnity, and so not normally subject to contribution rules.

Coming back to medical expenses, if you get your EEC form you should use your EEC form first on the spot, and refer back to your insurers only such portion of your medical expenses as remains unpaid by the local health authority.

When you were looking at package cover and considering the need for any top up, do not forget that you may already have shorter cover in your other annual insurances. For example modern "All Risks" Policies on valuables often provide cover abroad for up to 30 days in any one year: often such policies can include cover on unspecified personal effects and for money, as well as specified valuables, and if so most probably the continental extension will apply. Also in your home employment, an annually renewable disability policy or a permanent health contract you will still be covered in most European and near-European locations while you are on holiday, so do not forget to take such all-year-round cover into account when deciding what extra to buy for this year's holiday.

Armed with the E111 the DHSS has a leaflet SA2E1 providing detailed information, and you should get the latest one, which is the July 1978 edition, since the eligibility rules were changed last year. There are still some barriers against self-employed persons, pensioners and widows receiving state benefit. Teenagers up to the age of 19 still in full-time education count as dependants, but teenagers of 16 plus who are out at work do not, and so must make their own application.

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Application form for Gartmore Extra Income Trust, including fields for name, address, and signature.

For further details please ring 01-248 8000 Extn. 266

COINS

JAMES MACKAY

EARLIER this week the Queen, in her capacity as Lord (not Lady) of Man, presided over the Tynwald ceremony in the Isle of Man. This was no ordinary occasion, for this year the Manx are celebrating the 1,000th anniversary of their parliament, the oldest continuous democratic assembly in the world. Only Iceland, whose Althing was founded 50 years earlier, can claim greater antiquity, but its parliament has long gaps in its history. The Millennium celebrations began on January 1 and will last throughout this year. Everything has a Millennium flavour, from the quaint horse races in Douglas to the £1 gambling tokens in the casino. Needless to say, every collectible medium has yielded its quota of Millennium commemorations to suit all tastes and pockets, from stickers and cloth patches to Rosenthal porcelain plates and engraved crystal.

Numismatists are having a field day. Apart from the casino token, with its splendid Viking longship, there has been a TT Races Millennium medal and the Manx Treasury have plans to introduce £20 notes, with a limited edition overprinted for



the occasion. But it is the coins which are exciting the greatest interest worldwide. Like the other commemoratives, the Millennium coins cater to the widest range of collectors. Residents on the island, and summer visitors, can get the base metal coins at the Treasury in Bucks Road, Douglas. At the other end of the scale the five Millennium crowns are available from the Pobjoy Mint, Sutton, Surrey, in various precious metal versions: silver uncirculated (£81.50), silver proof (£99), 22 carat gold (£2,060) and platinum (£4,010).

Each of the five crowns has a motif or motifs spanning two centuries of Manx history, the underlying theme of the island's maritime character. The first coin, alluding to the 11th-12th centuries, portrays King Godred Crovan in the bow of a Viking ship while a cartouche depicts Tynwald Hill. The 13th-14th centuries are represented by a medieval galleon, with Castle Rushen in the background, while the 15th-16th centuries are symbolised by a Flemish carrack anchored off St. Michael's Isle where Sir John Stanley codified the Laws of Man in 1429. The fourth crown emphasises the part played by the island in the Civil Wars and depicts a soldier and man of war of the 17th century. The final crown in the series portrays the Manxman, Sir William Hillary, who founded the RNLI, above a dramatic

scene of a lifeboat going to the rescue of a ship in distress. The ordinary circulating coinage—1p, 2p, 5p, 10p and 50p and £1—has been issued with the date 1979 below the Queen's profile on the obverse, and the usual reverse motifs. But these coins carry two new features this year. Security diemars letters were introduced last year when the island launched its "round pound" coin in the new virenum alloy, and this feature has now been extended to the entire series. The tiny letters AA on the southwestern tip of the map on the reverse denote first day of minting, while those lettered AB, AC and so on denote subsequent minting.

In the field of each coin, about five o'clock, there is a privy mark—a representation of the Millennium symbol. This is a rather charming revival of a custom which has been dormant in British coinage for almost 250 years and was last used to

denote the source of the bullion; a tiny elephant and castle denoted bullion supplied by the African Company while the Prince of Wales's feathers signified Welsh silver. The Millennium symbol also appears on the reverse of the 1979 gold coins, £1, 2 and 5 pounds, which are now available to UK residents. Year sets in silver and platinum are also available from the Pobjoy Mint.

The epic voyage of Odin's Raven, an authentic replica of a Viking longship with a joint Norwegian-Manx crew, from Trondheim to the Isle of Man, via Shetland, Orkney, the Western Isles and Ireland, has captured the imagination. Even the recent mishap of the island of Mull only serves as a reminder that probably no more than one in three Viking ships ever reached our shores safely. To commemorate the Manx Millennium Viking Voyage a special 50p coin was issued. Manx 50p coins, like the 10s note before them, have featured a Viking longship of the 10th century, but the new coin shows the 20th century replica, as signified by the Millennium device on the sail. Astern can be seen Point of Ayre Lighthouse, the first sighting of the island which greeted the Odin's crew.

To celebrate the Queen's visit to the island, however, a special minting of this coin has been made. Never before has an attempt been made to put an edge inscription on an hepta-

gonal coin since the technical problems are enormous, but the research and development team at the Pobjoy Mint have overcome them fairly successfully. The legend on the edge reads H.M. Queen Elizabeth II July 1979. One proof, which is insoluble in the exact placing of the inscription on the copper-nickel coins, fed mechanically into the press. Thus the inscription may begin on any one of the seven sides, either upright or reversed in relation to the obverse. Now the hunt is up to

find all 14 possible combinations. The silver versions of this coin, being struck individually, do not have this problem. Following the success of their recent "pound swap" at their Tourist Board Offices in London, the Isle of Man has organised a similar exchange at the Healey Regatta today. The coins are available at face value from Bell Street, Healey, and bear a die-mark of tiny crossed canisters—the most novel souvenir of the Royal Regatta in its 149 years.

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BUILDING SOCIETY RATES

Every Saturday the Financial Times publishes a table giving details of Building Society Rates on offer to the public.

For further details please ring 01-248 8000 Extn. 266

Trouble overseas

THE TERM has ended, but would-be leaders of the student masses are doubtless already planning the autumn's demonstrations. The cause was given to them this week by the Government's announcement of an additional increase in the tuition fees for overseas students at U.K. universities, polytechnics and other State colleges.

Rises of about 9 per cent from September were announced by the Labour Government in March. Ostensibly, there were for all students regardless of nationality. But since all British students eligible for grants "as of right" also have their tuition fees paid from taxpayers' funds, the real effect of the all-round rises was confined mainly to youngsters from abroad.

There was no such casuistry to obscure the true target of this week's announcement made, as no aspiring demonstrator will forget by the uncompromisingly Tory Dr. Rhodes Boyson, a Parliamentary Under-Secretary for Education and Science. Only overseas students would be affected, he said, by the addi-

EDUCATION

MICHAEL DIXON

than three fifths of the average cost of the foreigners' training. So this subsidy, let alone a bigger one, can hardly be justified on grounds of helping the deserving poor.

Attempts to justify it on the alternative ground that, after returning to influential positions at home, the students will be profitably favourable to all things British, are prone to certain doubts. For instance, over the past decade 10 per cent or more of the overseas youngsters in UK State higher and further education, came from Iran.

That is not, of course, a conclusive argument for encouraging the overseas contingents to school studies — which is what other objectors say will be the result of higher tuition fees. But the fear of a large-scale transfer of affections is not upheld by experience. In 1976-77 the number of foreign youngsters in the universities, polytechnics and further education colleges was

82,774. For the following year the tuition fees were raised, on average, by nearly 60 per cent. The number of overseas students rose to about 87,000.

Moreover, it is arguable that the demand would continue even if the State institutions were to emulate their private-sector counterparts and sell at a profit. For example, in the words of a report on private colleges just published by the Policy Studies Institute:

"A substantial majority of students in language schools are from overseas together with over half of those in general subjects at tutorial colleges and also those studying what we have termed 'technical' subjects. Overall about a third of private-sector students (excluding correspondence colleges) are from overseas. It compares with a figure of about 10 per cent of students in public further education."

FFI TERM DEPOSITS. Today's rates 12% - 12 1/2%. Includes a small illustration of a piggy bank.

Table showing interest rates for FFI Term Deposits for terms of 3, 4, 5, 6, 7, 8, 9, and 10 years.

Deposits of £1,000-£50,000 accepted for fixed terms of 3-10 years. Interest paid gross, half-yearly. Rates for deposits received not later than 30.7.79 are fixed for the terms shown:

Deposits made further information from the Chief Cashier, Finance for Industry Limited, 27 Waterloo Road, London SE8 5EP. (or 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

JPY 100.50

YOUR SAVINGS AND INVESTMENTS

A Family affair

BUILDING SOCIETIES

ERIC SHORT

THE LATEST building society investment plan, launched this week by the Alliance, should have been a world-beater—but it is not.

The Alliance Family Bond enjoys a combination of tax advantages never before seen in one investment scheme. For the Alliance's Roy Cox has set up a unique deal with Family Assurance, a friendly society which is exploiting a quirk of the laws on friendly societies to claim tax-free status for its investment income.

The scheme is for a lump sum investment of £1,100 which you have to tie up for 10 years. The money is deposited with the Alliance and gradually fed into a 10-year endowment plan with Family Assurance. The premiums secure the usual 17½% in the pound life insurance tax subsidy. Family Assurance re-deposits the money with the Alliance—and because of its tax-exempt position it can reclaim the tax the Alliance pays on the interest. Thus the total return at current interest rates is 10.45 per cent while the money in the Family Assurance's account with the Alliance.

Many other building societies have already forged links with life insurance companies, but the resulting plans all suffer the usual tax rate of 37½ per cent on the investment income from life fund investments.

Yet the pay-out the Alliance is promising after 10 years is only £2,688 assuming current interest rates are maintained—which represents a net annual return of 8.2 per cent.

Despite the flourish which the Alliance unveiled the scheme this week, this is not the highest return available from building societies. The Bradford and Bingley, for one, offers a better rate on its new High Yield Linkplan scheme, which is similarly geared to 10-year lump sum deposits and also uses the tax subsidy for life insurance premiums to enhance the returns. The Bradford and Bingley promises a net return of 9½ per cent over 10 years assuming current interest rates are maintained.

One reason for the Alliance's somewhat disappointing showing is that while the money is waiting to be channelled through Family Assurance's hands it is earning interest at only the basic building society tax-paid deposit rate—instead of a term share rate which would be more appropriate.

But Family Bond's major handicap is the high management charges the investor has to pay. Only one-third of your first year's premium is invested for you and Family Assurance keeps one-twelfth of each subsequent year's premiums. With most rival building society charges amount to only between 6 and 8 per cent of your premiums.

There are three reasons for Family Bond's high charges:

- Family Assurance has to deal in small units. The tax-exempt deal only applies to schemes where each year's premium is no more than £110 in the case



Cox: unique deal

of an individual or £220 in the case of a married couple.

• Since the fund does not pay tax, it bears the full brunt of the heavy initial expenses whereas in a taxed fund they go to offset tax.

• Family Assurance is paying high commission to insurance brokers and other intermediaries who sell the scheme. The commission is 250 per cent more than the limit laid down by the Life Offices Association. Most other building society plans pay little or no commission.

Family Assurance's chief executive, Bob Morrison, defends the high commissions on the grounds that otherwise few investors will get to hear about the scheme. He points out that despite the phenomenal yield on existing building society insurance plans they are a flop with the investing public because no-one has much incentive to promote them. His theme is that life insurance is sold not bought—hence the salesman should get an adequate reward.

But the drawbacks of the plan do not end there. The tax claw-back penalties if you cash-in within the first 10 years make those on other life policies seem very mild by comparison. The investor is virtually locked-in for 10 years and the Alliance, to its credit, has not tried to gloss this.

Cox emphasises that Family Bond is a long-term investment and has tried to make a virtue out of this feature. For unlike other linked plans, Family Bonds can be kept in force indefinitely building up tax-free income—and the longer the investment period, the greater the tax advantage. Alternatively, the investor can use the lump sum accumulated after 10 years to provide tax-free income—at a handsome 10.45 per cent. No other plan can offer this advantage.

Family Bond is restricted under current tax legislation to married men, married couples and to women with dependent children.

Used as a long term savings vehicle this plan has many advantages. But how many investors use building societies for long-term investment? Their whole philosophy is surely that in a building society they do not have to wait very long to get their money. Many feel four years is too long to lock away capital, so what is their reaction to 10 years?

The current high yields for income bond investors will tumble at the first sign of a cut in interest rates generally, writes Eric Short

Unrepeatable income offers

HURRY WHILE stocks last must be the advice for investors in income bonds.

Life insurance companies reacted to the Budget increase in City interest rates by improving the yields on guaranteed income bonds. Now investors paying basic rate tax can get a net yield in excess of 10 per cent over three, four or five years.

But gilt prices have firmed up in the past few days so life companies are likely to cut the juiciest income bond yields very soon. Some companies stick up with gilts in anticipation of a drop in market interest rates, and this enables them to hold an offer open for a day or two longer.

But if you are considering buying this type of investment, act on Monday.

The table shows the best returns available at present. You will see that they are a point or two higher than the corresponding returns you are likely to get from major building societies over the same period. Life companies have a major advantage because they can use the subsidy for regular premium insurance plans to top up income bond returns.

Going, going . . .

Current net annual percentage yields on income bonds for a basic rate taxpayer.

THREE-YEAR TERM	
Liberty Life	10.8
Tyndall*	10.4
Target Life	8.2
FOUR-YEAR TERM	
Scandia Life	10.6
Trident Life	10.1
Canterbury Life	10
L & G	9.7
Abbey Life*	9.7
Windsor Life	9.4
FIVE-YEAR TERM	
Provincial Life	10.1
Target Life	10.1
Lloyd's Life	10
L & G	9.7
Charterhouse	9.4
M & G	9.4

* For a male aged 50. Source: Planned Savings

To get this tax advantage life companies structure an income bond as a 10-year qualifying policy with a death cover equal to the original investment. One part of the lump sum pays for the first annual premium. Most of the rest is used to pay the premiums in each of the next

three years. The balance pays the income.

Most life companies operate a four-year investment period and the guaranteed surrender value is equal to the original investment. As the underlying 10-year policy has run for four years, there is no question of the tax subsidy being clawed back by the Inland Revenue when the investor is a basic rate taxpayer.

The TSB Trust company, whose bond is one of the newest on the market, has eschewed this method and used instead a single premium endowment policy with guaranteed bonuses to provide the income. There is no tax subsidy so, not surprisingly, the yield is only 8.6 per cent.

With some bonds, the investor is locked in for the whole investment period. So you should check the terms for early cash-in. Another snag is that bonds are subject to higher-rate tax. Higher-rate taxpayers have an immediate tax bill for income in excess of 5 per cent. The balance of the income is taxed when the term is completed.

Thus higher-rate taxpayers should really consider whether these bonds are the best investment.

Yield curve somersault

FOR followers of the London money markets, these graphs (right) are probably worth a thousand words.

They represent the yields which investors at different times were receiving on various types of gilt edged stock.

The dotted lines, giving the position a year ago, will not cause seasoned City observers to raise an eyebrow. The solid lines, based on Tuesday's statistics, represents current market conditions and historically is highly unusual.

It shows, for instance, that short-term rates are one and a-half points above medium and long-term interest rates.

Unusual

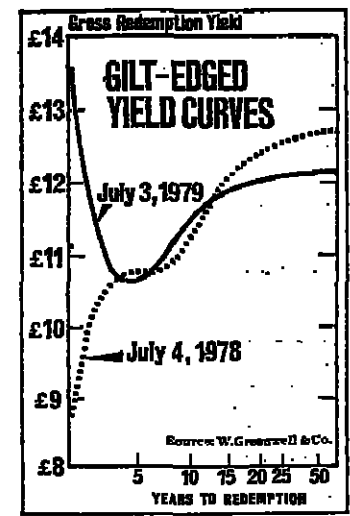
This is unusual because lenders who lock their money away for a long time are generally only prepared, given the risks of rising inflation, to do so for a progressively higher return—as last year's graph illustrates.

What therefore does last week's reverse yield curve tell us about the current outlook for interest rates?

Short-term yields have reached their current levels for a number of reasons. The Government, for instance, has pushed up Minimum Lending Rates to its present 14 per cent in order to choke off the undesirably high rate of monetary expansion. This has been

GILTS

TIM DICKSON



fuelled by high loan demand from companies, partly because of the consumer boom, and partly because of the winter's industrial troubles which have squeezed corporate liquidity.

The Government, meanwhile, has also been borrowing heavily through the gilt edged markets and the consequent strain on the banking system to finance these gilt purchases (many by foreigners who are also taking advantage of the pound's strength) has led to a severe shortage in the money market. The large inflows of overseas money incidentally have been partly offset by the outflow of sterling to pay for the UK's trade deficit.

Although the Bank of England granted the banks a temporary release of special deposits this week, it insists that the Government's tough monetary policy remains intact. The result: a credit squeeze.

The reverse yield curve, by showing that long term yields are actually lower than short term interest rates, also tells us that the markets expect loan demand to ease off and therefore short term rates to fall. Peter Scott, the economist at stockbrokers Joseph Sebag,

feels this could happen in the next four to five weeks and like many others he thinks this will be followed by a fall in Minimum Lending Rate.

Exceptional factors, he says, like the winter difficulties, VAT repayments, and unusually large purchases in March of Certificates of Tax Deposit, have forced up loan demand in recent months. Many of these factors, however, could soon disappear.

As a result lenders have not been keen to hold short term instruments, preferring instead to give their money to medium and long term borrowers. If MLR does then come down the yields on medium and long term gilts will look even more attractive.

Beware switcher's twitch

BONDS
EAMONN FINGLETON

BOND SWITCHING seems to have taken over from alchemy as the fool's way of making money.

Bond enthusiasts are mesmerised by the low charges most investment groups make for switches between one of their funds and another. An investor can switch between a cash fund, equities, property and gilts at a fraction of the cost involved in the market direct. The theory is that if you get your timing right—for instance, getting in at the bottom of every stock market rally and out at the top—you can make your fortune in double quick-time.

Several insurance brokers are advertising their services as advisers to would-be switchers. Their charge is usually 1 per cent of the funds under management.

Until recently it has been hard to know how good the advice has been. But now Planned Savings magazine has been checking. A dozen brokers have bravely volunteered to notify the magazine of their switching advice. They are each managing a £10,000 bond for two or three imaginary clients. The best performer has boosted his bond value to £11,941 since last December, which represents a gain of about 26 per cent on the £9,500 starting level after you take account of the £500 front-end management charge. But most of the other 36 runners have shown distinctly mediocre form.

Probably the best independent yardstick to judge the switchers by is what you would have achieved if you had invested instead in a managed bond with one of the better-established groups. Managed bonds are invested in a mix of cash, fixed interest, property and equities and in theory at least the managers are meant to do your switching for you. So as a control, the managed bonds of M. and C. Vanbrugh, Eganbr Life and Solar Life were chosen as typical of the sort of vehicles that a well-informed broker might choose as an alternative to providing a switching service.

Their growth in the period averaged just under 11 per cent from a base of £9,500. Only eight of the brokers' switching exercises did better.

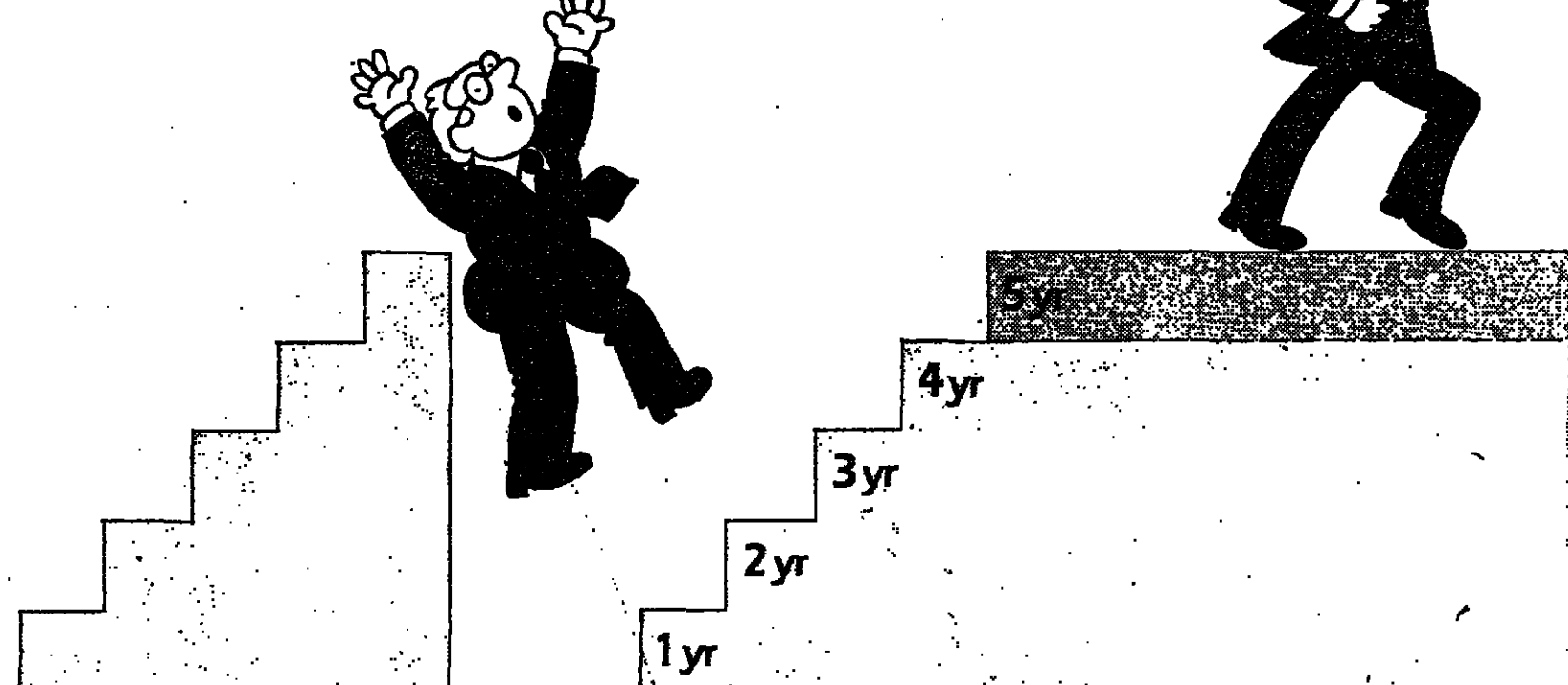
To the professionals, the result is hardly surprising. Managed bonds cannot switch money around between different investment fields as readily as an individual using switching facilities—and it is usually not feasible for them to go nap on a single investment. But to be set against these minor disadvantages is that managed bonds are looked after by people who watch investment markets full-time and usually have a considerable reputation to keep up.

So why provide individual switching facilities? Investment management groups admit that they do so mainly to satisfy demand from brokers and from a minority of gambling-minded investors.

There is no doubt about the marketing appeal of incorporating switching facilities in a bond package. At about 1 per cent or less per switch, moving money around within a bond is a great deal cheaper than if you invest direct (where the switching costs would probably be around 5 per cent). But even such low charging can quickly become debilitating if the switcher gets hooked on trying to second-guess the City.

NEW ABBEY NATIONAL OPEN BONDSHARES

KEEP YOUR SAVINGS ON TOP



Many New Escalator Schemes

A lot of new savings schemes offer higher interest the longer you leave your money. But after a few years you've got to start all over again at the lowest rate.

Abbey National Open Bondshares

Abbey National Open Bondshares also offer higher interest the longer you save.

The difference is, we don't let you down in the end. After 4 years, your savings go onto an even higher bonus rate... and you can stay there as long as you stay in the scheme.

Also, we have two ways to get you to this big bonus.

The first is the normal STEP method, where you commit your savings for one year only and, with each additional year, gain higher interest as the chart shows.

The second is Abbey's special JUMP system, where, if you feel you can commit your savings for a longer period than one year, you can jump straight on to the appropriate higher interest rate. So that if you committed your money for four years, you would start immediately on the high 9.50% rate. (Don't forget, tax at the basic rate is already paid. With the basic rate at 30%, 9.50%

is equivalent to 13.57%.) Whichever method you choose, from year five your savings go onto that unique Abbey bonus platform. Even if you're not sure whether you can save for so long a period, it makes sense to join the scheme that lets you.

Rate of Interest	Initial Contracted Period			
	1 year	2 years	3 years	4 years
	% p.a.	% p.a.	% p.a.	% p.a.
1st year	8.25	8.50	9.00	9.50
2nd year	8.50	8.50	9.00	9.50
3rd year	9.00	9.00	9.00	9.50
4th year	9.50	9.50	9.50	9.50
5th & subsequent years with Bonus Differential of 2%	10.00	10.00	10.00	10.00

Interest rates based on a Share Account rate of 8.00%. Rates correct at the time of going to press. These rates may vary but the Bondshare differential above normal share rate is guaranteed. 1 year 0.25%, 2 year 0.50%, 3 year 1.00%, 4 year 1.50%.

The minimum investment is £500 and your interest can be paid half-yearly or as monthly income. Come on in!

URGENT INVEST NOW

17.2% p.a.

GROWTH—WITHOUT EVEN TRYING!

This return over four years is just an example of the staggering annual growth rates which can be obtained with a special new Plan—as a result of recent tax changes. And the most surprising thing about this example is that the growth arises purely from legitimate tax concessions available to all taxpayers. Any investment growth, of course, would increase the return still further.

This Plan provides capital for children when they come of age, but—in many cases—the extent of the tax concessions will be dramatically reduced unless you invest before 31st August.

You may never have considered the idea of investing for a child before. The helping hand now available from the Inland Revenue can make a great deal of difference. We therefore urge you to give it careful consideration now, because the returns are extremely attractive—

Child's age now	Your net outlay	Return at age 18*
6	£9,786	£21,848
12	£4,893	£10,059

* Assuming annual investment growth of 17.2% per annum compounded

To: Julian Gibbs Associates Ltd. Tel: 01-487 4495.
9 Manchester Square, London W1M 5AB.

Please tell me more about this exciting new opportunity.

Name _____
Address _____
Tel: Day _____ Home _____
Date of Birth _____ Tax Rate _____

Fill in the coupon now To: Dept. B.S., Abbey National Building Society, FREEPOST, Baker Street, London NW1 6YH.

I/We enclose a cheque, numbered _____ Tick appropriate box

value £ _____ to be invested in Abbey National
Open Bondshares for the initial contracted term shown.

4-year 3-year 2-year 1-year

I/We require that my/our interest be paid out monthly or at 6-monthly intervals (pick whichever is applicable)

I/We understand that the investment cannot be withdrawn before the end of the initial contracted term, except in the case of death and that after the contracted term is completed the investment will continue in the scheme subject to 3 months notice of closure by me/us or the Society.

Full Name(s) _____
Address _____
Date _____ Signature(s) _____

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BOOKS

Ugly duckling BY C. P. SNOW

Caroline of Brunswick by Thea Holme. Hamish Hamilton, £8.95. 245 pages

The marriage of the Prince of Wales, later George IV, and the Princess Caroline of Brunswick, is one of the bitterest in British monarchical history. He had made his own choice - Heaven knows how soon he had met her and though she was his cousin, doesn't appear to have collected much intelligence about her. He was in a frenetic hurry to marry her. In other circumstances this might have been flattering to the bride, but the reasons were strictly mercenary. He was even more than usually flooded by debts. If he married, Parliament could be expected to discharge them. No man in his senses could have thought Caroline a particularly desirable match. She had nothing in the way of physical charm. She was 26 when they married. At that time she was short, fat, dumpled, red-faced. With the years she became fatter and redder. Lawrence's second and more informal painting is merciless. She was attracted to almost any man, but never found one to love her. She was wild, gauche, and uncontrollably aggressive. She wasn't stupid, but even by the standards of 18th century courts, unformed and uneducated. She dressed with bizarre eccentricity and seldom washed. She was a pathological liar. Just to compensate, no woman in her senses would have thought the Prince of Wales a particularly desirable match if he hadn't been the heir to the British throne. He was soft, cowardly, faithless, and had no

core of character whatever. He too was fat, and became grotesquely fatter. At times he could simulate a regal presence, but it was like an actor playing the part. He did have a kind of flamboyant aesthetic taste. Unlike Caroline, he was fastidious about his appearance, and certainly appearance. Like her he was a pathological liar. What a poor Prince, said the Tsar Alexander to his sister, on their only visit to London. She enthusiastically agreed, having arrived thinking that he might be an impressive conquest. Within minutes she had changed her mind. The eye-witness account of the first meeting of the Prince and Caroline would be hard to swallow, if it weren't given by Lord Malmesbury, experienced diplomat, cool observer, better disposed to the Prince than most of his intimates. The Prince took one look, managed to kiss her cheek, and then said to Malmesbury, "There were rumours of wild parties. Since the Prince had spies to watch her, it is a fair bet that he obtained no hard evidence. There was certainly louché talk, for which she had incessant gusto, and plenty of theatrical and indecorous excess. She took a curious delight in pretending to women friends that she was pregnant. These pregnancies, it seems, were make-believe, part of her obsessive lying. She went so far as to introduce a little boy into her household, and from time to time announced that he was her own. Then from time to time she denied it. The Prince set up a Delicate Investigation, presided over by the Prime Minister. He wanted

the privileges of Princess of Wales. The Queen, the Prince's mother, detested her as much as he did, and would barely recognise her. Caroline, who had her own brand of nerve and courage, nevertheless went to Drawing Rooms and Receptions, unless, as sometimes happened, specially excluded because the Prince himself would be attending. The Prince laid down rules about how much, or rather how little, she was to see of their child, Charlotte, the heir presumptive. There were ludicrous plans for kidnappings and counter-kidnappings. Charlotte had some of her mother's fighting passion, but couldn't keep on terms with both parents at once. She would have made a strong-willed Queen, but it was perhaps as well that the succession descended to Victoria. Caroline secured some compensations. She established a ramshackle court of her own, out at Blackheath. There were rumours of wild parties. Since the Prince had spies to watch her, it is a fair bet that he obtained no hard evidence. There was certainly louché talk, for which she had incessant gusto, and plenty of theatrical and indecorous excess. She took a curious delight in pretending to women friends that she was pregnant. These pregnancies, it seems, were make-believe, part of her obsessive lying. She went so far as to introduce a little boy into her household, and from time to time announced that he was her own. Then from time to time she denied it. The Prince set up a Delicate Investigation, presided over by the Prime Minister. He wanted

a divorce above all things. He was hankering after a peaceful marriage, such as he had had, in his own eyes and those of the Catholic Church, with Maria Fitzherbert. He was encouraged to provide a proper heir. By and large, his Ministers had no use for him, but they would have been glad to see the end of Caroline. However, the Delicate Investigation came up with nothing decisive. When the Prince at last came to the throne, there was a more elaborate and public repetition of this story. Caroline had set up another of her knockabout courts, this time a peripatetic one in Italy. There she seemed to have had a lover, one Perigami, all exposed to the public gaze. Still, she was clamouring to be publicly recognised as Queen, continuing to be voracious for her rights, in particular to be prayed for as Queen in the Litany. There was organised a solemn trial in the House of Lords, under the cover of a Government Bill. It was a ridiculous trial. All the anti-Caroline witnesses were Italian, and many of them rehearsed and bribed. (Byron gave some experienced advice about how far to trust them.) Brougham, who had contempt for Caroline, but was defending her for political purposes, since the King was one of the most unpopular of all British monarchs, and Caroline in consequence a somewhat improbably popular heroine, had one of his triumphs as an advocate. The Government eventually won the vote, but by a margin so narrow that they couldn't take the Bill further. Caroline had got home shakily



Caroline of Brunswick—subject of a new biography reviewed here—from the miniature by Philip Jean

once again. However, she didn't get home to Westminster Abbey for the Coronation. The gates were barred against her. If her supporters wanted to force them, there were troops within call. For once Caroline's daring led her and she went meekly home. It isn't a tragic story, for neither George nor Caroline were suited to tragedy. There is some pathos, and a great deal of buffoonery. Only very superior persons will find it unentertaining, and Thea Holme has told it with economy and great skill. Mrs. Holme made her name

as an actress, and a very good one. She turned to writing, so it seems, in life. She has turned out an even better writer than actress. This book needed a lot of indulgent understanding, complete absence of sentimentality, and an absolutely unpretentious and self-denying literary touch. It has all those qualities. It is also just about the right length, as it might be for a shortish novel. Many modern biographies are longer than their subject can support. Thea Holme's judgment and tact are here, as in the detail of the book, an example to others.

Strange gods BY MARTIN SEYMOUR-SMITH

The Yawning Heights by Alexander Zinoviev, translated from the Russian by Gordon Clough. Bodley Head, £9.95. 329 pages

News from the City of the Sun by Isabel Colegate. Hamish Hamilton, £5.95. 252 pages

but it is a novel that—like Ford's The Good Soldier—one wishes to read again, and perhaps more than once. It is a marked advance on the author's previous books, one registers a fulfilled and soaring intelligence with great satisfaction—and one hopes that the lack of finishness will not distract attention from this superb, though often uneven, novel. Entertaining Strangers, by an American writer better known for his plays than for his novels, is an attempt at satire on the academic world. It is ages to be familiar than even if it is meant to be. The Groves of Academe, by Alison Lurie's deadlier The Between the Tides. We are in the days of Nixon, a professor with tenure (this is the whole nub of the matter in America); a gentle man, trying to finish his thesis, the Neglected Sector. The American Education. This is a very real world, a young, very Englishman steps, American is not, quizzical, judge whether he comes from Eton and Oxford, as he claims—or not. So, the Neglected Sector of the thesis becomes the Dejected Sector. The American professor, his "find himself" is not a vindictive as the comic part does not, completely, come. This is a good funny novel, more than have try, and worth reading. Peter Reggrove gets more like F. R. Leavis every year. He is a writer, and Reggrove's life is not at all like Powys. One is bound to note the resemblance when one discovers the novel is about a man with "terrible secret" visiting West Country village. Weston's Good Wife is still in print. So, Reggrove's Gentleman's Black and is not a God (like Mr. Weston), and starts a new, very strange religion which spreads over the world. The writing is entirely Reggrove's own, dazzling, ironic (not really surreal, since it always has poetic power and direction), deliberately outrageous, oddly controlled. He has taken much courage, training (the reader should not ignore this); to persist in his the theologically and poetically detourings. This is, and is liberally, a literate version of the theme of the film The Ecstasies and other such fashionable exercises in Gothic. It contains suggestions—positive suggestions—as to why "enjoy" "horror" but "points towards something that might be useful to all of us." There is a useful "Author's Note" referring the reader to the book The Wise Woman (this is the Reggrove novel), Penelope Shuttle, and who do not agree with all it says (applaud it). One can only say that the poetic merits and courage of this novel are and appreciated. First—as an author once said of his dimly book—one should not try to understand it, but instead "dance with it." The Web is an intelligent thriller which builds up an authentic atmosphere as it ceases. Its subject is the gift of melancholy and reluctant satire: this is a refreshingly unstrident female judgment on both idealistic men and crazy women. News From the City of the Sun is too modest and quiet to seem immediately impressive.

The fortunes of Nigel BY REX WINSBURY

A Growing Concern by Nigel Brookes. Weidenfeld and Nicolson, £8.50. 378 pages

"Do you sincerely want to be rich?" "Yes, Sir." "Thus might a conversation

have run between Brookes N. and his prep. school master. For if the rich are different from us in anything other than having more money, then this book will be primarily read to discover how Brookes not only became rich (he was offered £11m cash

for his holding in Trafalgar House a few years ago, he tells us a little over-nonchalantly) but also kept his riches when millions, like Slater, Matthews et al, crashed to the ground all around him.

Easily the simplest answer, that shines out like a Spanish dubloon from this interim autobiography (Brookes is turning 45) is that at an age when the rest of us wanted to be engine drivers, pilots, or book reviewers, he wanted wealth, and subordinated everything, except perhaps a nasty habit of blowing up his schoolfriends, to that end. Whether a passion for explosives is one precondition for becoming rich, I cannot say. It would certainly seem to indicate a willingness to shake up a situation, regardless of the effect on people. But other early aids to eventual affluence were: 1—For one such explosive episode, Brookes endured a cruel beating with a dog-whip from his headmaster. Clearly, Brookes is made of sterner stuff than most: his father was also, he says, "an extremely tough man."

2—His grandfather was commercially successful, in coal, and by the time of his retirement in the mid-1930s was earning £15,000 a year with Dalmer, a furniture and three-way sewerage. Brookes remarks that "he was the only commercially-minded man I was to meet for many years, and consequently the only one who could answer the kind of questions that interested me."

3—Grandfather left Nigel £30,000 when he was 21, a goodly sum in the mid-1950s. 4—Nigel, in pursuit of learning how to make money, in effect lost all of that in early dabbling in hire purchase, second-hand car sales, venture capital and other hard schools. Probably that says it. Few have rich grandfathers of those few inherit even that much money when young: of those few so sincerely want to be really rich that they will risk it all to learn the art. And I suppose that of those, few again are sufficiently into books to read and apply, as Brookes did, all the financial and legal rules that applied to his trade. It is also indicative that Brookes has produced such a readable book himself. Written in a terse, spare style that both reflects his own mind and is one of the best uses of the English language, it tells a clear story with the minimum of self-congratulation (and, I am

BOOKS OF THE MONTH

Announcements below are pre-paid advertisements. If you require entry in the forthcoming panels application should be made to the Advertisement Department, Bracken House, 10 Cannon Street, EC4A 3DF. Telephone: 01-548 8000, Ext. 7061. Safety and Health in Dock Work An ILO Code of Practice Provides advice for use in docks where conventional methods are employed, and in those where technological improvements have been introduced. Guides those concerned with safety and health in dock work. Second edition, second impression (with modifications) ISBN 92-1-101593-9 \$6.90 International Labour Office

Fiscal Measures for Poverty Alleviation in the United States David Hsieh Brings together much available evidence about the successfulness of anti-poverty fiscal programmes over a decade. Analyses major expenditures and taxes, and offers suggestions for existing shortcomings in the system. ISBN 92-1-102107-6 \$5.00 International Labour Office

Poverty and the Impact of Income Maintenance Programmes in Four Developed Countries: Case studies of Australia, Belgium, Norway and Great Britain Wilfred Beckerman in collaboration with W. van Ginneken, R. Szal and M. Garzuel Estimates comparatively the poverty levels, before and after transfer benefits, under income maintenance programmes. Suggests new concepts for reducing poverty which will interest those concerned with effective poverty eradication programmes. ISBN 92-1-102066-0 (hard cover) \$6.90 ISBN 92-1-102064-9 (limp cover) \$4.40 International Labour Office

Basic Needs Performance: An Analysis of Some International Data Glen Sheehan and Mike Hopkins By collecting and analysing information on basic needs performance in 135 countries, this study illustrates increasing anxiety over satisfying immediate basic needs rather than measuring welfare in terms of income per head. ISBN 92-1-101124-0 \$5.00 International Labour Office

Household Income and Expenditure Statistics, No. 3, 1968-1976 Presents data on the level, components and size distribution of household income and expenditure based on surveys conducted in about 90 countries during 1968-76. This supplies the basis for comparative analysis. ISBN 92-1-101976-4 \$10.00 International Labour Office

The Next Seventy Years Population, Food and Resources B. Gilland A source book for demographers, sociologists, nutritionists and economists. Presents more data—mostly by graphs and tables—than many books on the future. Examines dispassionately likely growth in population, agricultural production, etc. ISBN 0 85826 176 9 Abacus Press \$9.50

Cambridge Surveys of Economic Literature Microfoundations The Compatibility of Microeconomics and Macroeconomics E. Roy Weintraub This book makes accessible, to non-specialists, those extensive modern refinements of general equilibrium theory which are linked to macroeconomics and monetary theory. Hard cover £13.75 net Paperback £9.50 net Cambridge University Press

The Diffusion of Process Innovations Stephen Davies An examination of why some industries and some firms adopt new processes more quickly than others, and whether certain characteristics of the innovations themselves affect their rate of adoption. £12.50 net Cambridge University Press

Over-Ruled on Welfare Ralph Harris and Arthur Seldon Reveals the increasing desire for choice in education and medicine and how it is frustrated by "representative" government. Institute of Economic Affairs £3.00

The World Dictionary of Awards and Prizes A dictionary of awards and prizes throughout the world. The book includes awards for achievement in literature, science, the arts, technology, music, medicine, the cinema and television. Europa Publications £15.00 (UK price)

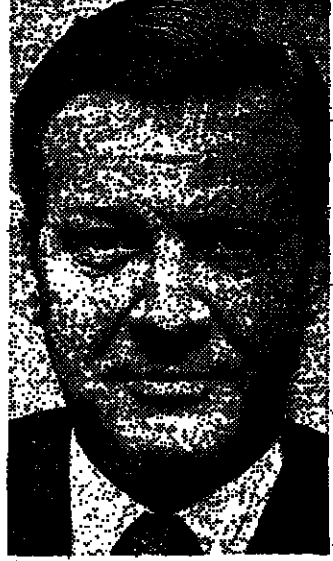
Across the oil gulf BY JAMES BUXTON The Gulf by Molly Izzard. John Murray, £8.50. 314 pages Molly Izzard has written arguably the best book about the Gulf states since the 1973-1974 oil price rise quadrupled the income of these little countries and their small indigenous populations. Plenty of writers have portrayed the Gulf states—Kuwait, Bahrain, Qatar and the United Arab Emirates (which includes Abu Dhabi and Dubai)—much as their Ministries of Information wanted; other have admitted that the culture shock they experienced in the Gulf was an impenetrable barrier to understanding. Why should this be? The Gulf states seem small enough to grapple with and there is no shortage of officially produced facts and figures. But there is the strangeness of towns that are almost completely newly built, and the indigenous Arab inhabitants are difficult to meet and have, as a rule, a dignified reticence. It is hard to get the feel of a place where the majority of the people (except in Bahrain) are foreigners, mostly other Arabs or from Iran or the Indian sub-continent whose lifestyles are no less strange to the westerner, while the rare European or American expatriates are often as reserved as their employers or just dull. Shrewdly but sympathetically Mrs. Izzard, who has known the Gulf for more than a decade, makes sense of the Arab nationals. By skilfully weaving into the book the history of the Gulf states and Saudi Arabia, and emphasising continuity rather than change, she explains their way of life and how wealth has affected it: "They are a practical, pragmatic people, quick to learn but not very imaginative. Faced with the novelties of the modern world they tend to look backwards to their own past for guidance, and to the solutions provided

by their traditional attitudes." And their lifestyles has a moneyed sophistication that cuts them off from all but their own kind." This book also brings to life the people from different regions of Iran, Pakistan, Afghanistan and India who are the commonest sight in the streets of most Gulf towns—explaining the kind of occupations they take up, emphasising the strong historical connections between the Gulf and the sub-continent and deploring the way most of them are treated. Then there is the life of the European, especially British, expatriate in the Gulf—often arid in spite of its big financial rewards. "The average Briton lives in a very narrow society, inwardly orientated. Studiously apolitical, he is further insulated from the life around him by his lack of Arabic. This lack of intellectual curiosity... (the British) bring with them in their own particular brand mark." The Europeans' jobs are not always very satisfying, at least in government departments where you find "clever, able men... sitting glum and under-employed in their offices awaiting the telephone call that will tell them whether their carefully presented solutions have been accepted or yet again have been put back for further consideration. Western utilitarianism, Mrs. Izzard says, has fortified Arab pragmatism and the Arabs

remain prejudiced rather than open. Not surprisingly the Gulf states' societies are divided into many separate vertically structured communities of different races, the Arabs anxiously defending themselves against being swamped by foreigners, the others often feeling little compunction about fleeing them. Yet despite its gloomy conclusion this is a sympathetic and elegantly written book based on deep understanding, not cursory observation. It is a pity Mrs. Izzard was not also allowed to use her perceptiveness on Saudi Arabia or Oman today, apparently because of their distrust of woman writers. But this book should still be read by anyone who deals with Arabs in Europe or the Gulf.

Light entertainment BY B. A. YOUNG Larger than Life by Margaret Morley. Robson Books, £5.25, 206 pages. Will the Real Ian Carmichael... by Ian Carmichael. Macmillan, £7.95, 400 pages. Biographically, the Morleys are an incestuous family. No sooner has Sheridan Morley published a life of his grandmother, than his wife Margaret Morley publishes a life of her father-in-law. The Sheridan Morleys have three children so keep plenty of space on the bookshelves. If Morley's book is full of affection, and it is, it is also a celebration of the fact that, like many of us only more so, the main interest in Robert Morley's life has been his own happiness. It takes the legitimate point of view that the happiness of a man who had done so much to make the world a happier place is a perfectly reasonable target. "Ah Robert," said Rex Harrison one day, "one wife, one

Richardson was playing in Men and Supremacy. And this," said my friend in a hushed voice, "is the Oban Inn. Robert Morley lunched here last Sunday." I've had many happy evenings watching Ian Carmichael on the stage or the screen or the television, but 400 pages of his life are too much, especially as they make the book too heavy to read in bed. Someone should have warned him against trying to write in the style of Bertie Wooster. "Slap bang in the middle of 1940—on June 18 to be exact, the day when 105 years previously the Duke of Wellington and a German bloke called Blücher were bashing the living daylight out of Napoleon at the Battle of Waterloo"—this is how Mr. Carmichael begins. By page 74 he has only just left school. Mr. Carmichael has two daughters, and four granddaughters. They should get in touch with the Morleys and see that this job is properly done.



Nigel Brookes: iron self-confidence

ing procedures of Trafalgar House. We already have two new publications, the Star and the Financial Weekly, to show for it, and here I think one comes near to the heart of the Brookes-Matthews formula for success—a shrewd appreciation of the relationship between cash and assets, or perhaps a shrewder relationship between the appreciation of assets and cash than other have managed. Brookes is something of a philosopher among financiers, and on the evidence of this book is no mean author either.

Funny SF BY RAY LARSEN

Blackpool Vanishes by Richard Francis. Faber and Faber, £4.50. 191 pages

The solemn and portentous mythology surrounding flying saucers is long overdue for the harsh pen of the satirist. Now in this genuinely funny SF novel, the UFO fanatics get their come-uppance. What better backdrop for bizarre events than the dorm normality of Blackpool? The dear old resort suddenly vanishes behind an impermeable barrier, kidnapped by flying saucers only a few inches in diameter. Phlegmatic locals continue their beer as if nothing has happened while the Foreign Office (Rural Branch) wakes from its slumbers and starts to dust off its files of UFO sightings. Logic is stood on its head in the tradition of Swift from being god-like creature from a distant galaxy invaders-must-out-to-be-a-bunch-of-bacteria-living-on-one-planet-and-piloting-saucers-only-a-few-inches-in-diameter.

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TRAVEL

First encounters of the Communist kind

BY DAVID DODWELL

A CHINA Airways Trident... Hong Kong's Kai Tak airport... On board, 60 nervous tourists...

Cola had have at last acknowledged American-Express cards... Hong Kong's China Travel office has since the beginning of this year...

One dare not guess what they expected to find in "New China" but they certainly had no expected such casualness... The concomitant of this casualness was that tourists were expected to have absolute faith in the tour operators...

Hotels, the Dong Fang and the Baiyun are unsophisticated by Western standards... At the Baiyun, barely any staff spoke English. Tourists were parcelled off, two to a room...

tourists seriously, which means starting their day at seven and releasing them exhausted at dinner time... Two slots were left uncommitted, and our itinerary said we would be allowed to "wander free"...

Everyone wondered just how literally they could take this invitation - particularly the American Chinese who dearly wanted to see again their natal homes... For them, the trip was a highly emotional one...

It is important to remind oneself throughout that Canton is not typical of China... The closeness of Hong Kong, and the large number of families with relatives in Hong Kong...

An air of unreality hung over the whole four days... The discipline one expects of a communist society was also lacking: cyclists wove about the streets with anarchical determination...

Trying to get an answer

BY SYLVIE NICKELS

THE YOUNG lady at the Austrian National Tourist Office was on the telephone when I called the other day... "How do you spell it, madam?"

recorded message giving basic information and suggesting you write or call in at their office for anything else... In answer to general enquiries, most tourist offices send a standard pack...

little publications on its strange geology and fascinating natural history... The Swiss have overcome the problem of costly brochures and postage by producing a considerable series of fact sheets...

Britain are designated U.S. Travel Planning Centres, with special funding and links with a very advanced computerised system for the supply of literature... Further-flung corners of the world touch on more exotic themes...

Space suffices only to say that, between them, our national and regional tourist boards produce a range of material that, in scope and practicality, compares well with anyone else's... And, if we stumble a bit that for quite a lot of it there is a fairly nominal charge...

Evidence of tourists past was in every homestead - mainly in the form of fading polaroid snapshots stood on the mantelpieces alongside portraits of Mao and Chairman Hua...

On the train back to Louwé at the Hong Kong border, this time with Chinese tea and recently-presented cans of Coke on offer, one had to conclude that China's communism has its own strange and unique formula...

On the train back to Louwé at the Hong Kong border, this time with Chinese tea and recently-presented cans of Coke on offer, one had to conclude that China's communism has its own strange and unique formula...

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SPORT

Martina takes it with confidence

BY JOHN BARRETT AT WIMBLEDON

A WIMBLEDON women's final which had promised so much ended tamely in a convincing 6-4, 6-4 victory for the defending champion, Martina Navratilova, over Chris Evert Lloyd yesterday.

Only two weeks ago in the final of the Colgate event at Eastbourne the same pair played a classic match which Mrs. Lloyd won 13-11 in the third set, and when the two women met in last year's Wimbledon final it was also a three-set affair with Mrs. Navratilova coming back from 2-4 down to triumph 7-5.

15 and had a break point against the champion in the seventh game, which she squandered by netting a backhand. Mrs. Navratilova prepared to serve for the first set at 3-3.

Here, for the first time, Mrs. Navratilova's accuracy deserted her. The first two points were lost on a forehand, then a backhand, beyond the base line. Another fine Lloyd backhand forced her into a full stretch volleying error and she completed a miserable game by double faulting, and being broken to love.

Sensing a comeback in the making the crowd buzzed with anticipation but the revival was stifled as Martina took a firm grip on her temperament. A Lloyd half volley into the net gave the self-called Czech two set points and though she cast away the first by netting a forehand, a miss hit volley off the wood won her the first set in 28 minutes.

time at the cost of a mere two points. Now there could surely be no looking back for the 22-year-old champion.

But two missed smashes, one low into the net and the other over the base line, lost her a service game and now the lead was whittled back to 2-2, but Mrs. Lloyd's direction remained wayward, her serving was untypically poor and as Mrs. Navratilova said afterwards "I was never really worried because I knew I could break her. She couldn't really hurt me, so it was up to me to control the tempo of the match."

That is exactly what she proceeded to do, moving into a 5-2 lead. Eventually, after 53 minutes she found herself serving for the match and her triumph was only temporarily dented when Mrs. Lloyd, in her final fling, took that ninth game by courtesy of a Navratilova double fault and two other errors.

At this critical stage Mrs. Lloyd was still unable to deploy the formidable talent which had

broken her to two previous Wimbledon titles. A loose forehand return which invited, and received, appropriate punishment put her 15-30 down, then Mrs. Navratilova arrived at match point with a crushing forehand, which skidded through low.

Though Mrs. Lloyd got her next first serve in, Mrs. Navratilova charged the net narrowly, the options for her opponent who projected a forehand well beyond the baseline and the match was over in exactly an hour.

Afterwards Mrs. Lloyd praised the consistency of Mrs. Navratilova's first service. "She had me on the defensive the whole time and I never felt I was in the match. I couldn't find any answer to her serve. This type of court suits her game a lot better, I have to struggle more on grass."

U.S. professional golfers raise \$4m a year for good works. Could we do it here?

Fine play and high returns for charity

GOLF BEN WRIGHT

ONE OF the justifiably proud boasts of the PGA tour in the U.S. is that every year more and more money is raised at professional golf tournaments to benefit a host of deserving charities. The final figure for 1978 was over \$4m, which in some part exceeds the fact that in 1979 the total tournament prize kitty will run close to \$13m. I use the word "exceeds" because I am not alone in thinking that offering such huge sums of money to professional sportsmen in such difficult times is more than a little obscene. Perhaps it is as well to avoid the subject by costly and appears to justify the means.

Back to Sunday's finish. Andy Bean, the 1976 winner, appeared a good bet to repeat his victory when he came from behind to reach the turn in five under par 31, to be one shot clear of Tom Kite, his nearest rival. But three holes later it was Kite who led by two shots from Bean, and the eventual play-off participants, who were playing together up ahead.

Nelson and Morgan both came home in 31 shots for rounds of 63 and 68, respectively. The former had to make a chip and putt birdie at the last hole, as Bean and then Kite faded away.

tournament organisation that is performed so zealously in the name of charity throughout this continent. The happy end certainly justifies the means.

Morgan then just missed the green, to the right of the 20 yards 15th hole, after Nelson had played a superb four-iron shot 18-foot away, dead on line. A local favourite who qualified as an optometrist in Memphis, Morgan got up and down in two shots, while Nelson lipped out his birdie putt.

And so the pair progressed to the 512 yards 18th, a sharp dog-leg to the right downhill, with the second shot played over water to a green protected by a large cross-bunker. Nelson's drive was excellent, but Morgan replied with a stunningly played, fade around the corner of the trees, that finished at least 50 yards in front of his rival's ball. Nelson bunkered his second shot with his three-wood. And with the adrenalin pumping, Morgan hit a horrible push with his three-iron that finished 40 yards beyond the green on a cart-path.

After a free drop, Morgan's pitch from a fluffy lie was hit flat, and did not reach the green; whereupon Nelson and his caddy panicked, the caddy sheepishly grins. But these were wiped off their faces when Morgan putted straight into the hole, downhill from 50 ft. Nelson played a miserable bunker shot, a worse chip, and was gone. It was an astonishing climax to a tournament that could hardly have been better scripted for television.

Operating costs, like everything else, are rising every year. They were \$545,000 in 1979, but this included the prize kitty of \$300,000. So the price of a sponsorship has to go up accordingly.

The Memphis operation is typical of the week by week

Battle of the Centre Court

BJORN BORG (SWEDEN) Age: 24.1. Born: Sodertinge, Sweden. Home: Monte Carlo. Unmarried—engaged to Mariana Simionescu (Romania) 1976. Height: 5 ft 11 in. Weight: 160 lb (11 st 6 lb). National Ranking: No. 1. ATP Computer Ranking: 2. Plays: Right-handed on forehand, double-handed on back hand. Grand Slam titles won: Wimbledon 1976, 1977, 1978. French Open 1974, 1975, 1978, 1979. Junior titles won: Orange Bowl 1971-72, Wimbledon 1972. Wimbledon Record: Won 1976, 1977, 1978; quarter final 1973, 1975. Prize money: 1973-78 \$1,956,171. Prize money: 1979 (prior to Wimbledon) \$329,522. Record against Tanner: 8 wins, 3 losses since 1972.

ROScoe TANNER (U.S.A.) Age: 27.9. Born: Lookout Mountain, Tennessee. Home: Klawah Island, South Carolina; Palm Springs, California. Married. Wife Nancy, no children. Height: 6 ft. Weight: 170 lb (12 st 2 lb). National Ranking: 7. ATP Computer Ranking: 6. Plays: Left-handed. Grand Prix titles won: Australian Open 1977 (January). Junior titles won: 5 U.S. national singles and doubles. Wimbledon record: Semi-final 1975 and 1976. Prize money: 1972-78 \$933,492. Prize money: 1979 (prior to Wimbledon) \$107,956. Record against Borg: 3 wins, and 8 losses since 1972.

Possessed of probably the best ground strokes of the past decade, Borg is completely at home at the base line even on fast surfaces like Wimbledon's grass. He loves to control rallies from the base line almost daring opponents to come in when he flashes passing shots down the lines or across the court with equal ease.

The volleys are uncompromising and deadly, and the smash lethal. As far as weaknesses go there is a few. He can hit either way with the same action just changing the angle of the racket head at the last moment, so that it is difficult to pick. The second serve too is hard, and deep, hit with the same fast action.



Breaking each of their opponents once to recover the loss of Fleming's serve in the opening game they took the second set after an hour and seven minutes' play and by now were beginning to show the form that has won them six titles already this year including the important Colgate Masters.

Thus, the general chairman of the Danny Thomas Memphis classic, Mr. Vernon Bell, was able to project with some accuracy, based on this year's sponsorship sales, that approximately 36,000 tickets will be sold for the 1980 tournament.

It is often a mystery to me why more British tournaments are not put together in the Memphis manner as a community project. Each year a set number of sponsorships is sold in the Greater Memphis area in price grades known as Patron, Golden and Regular, so that the tournament is largely underwritten before it gets to be played.

Thus, the general chairman of the Danny Thomas Memphis classic, Mr. Vernon Bell, was able to project with some accuracy, based on this year's sponsorship sales, that approximately 36,000 tickets will be sold for the 1980 tournament.

Operating costs, like everything else, are rising every year. They were \$545,000 in 1979, but this included the prize kitty of \$300,000. So the price of a sponsorship has to go up accordingly.

The Memphis operation is typical of the week by week

Pictures: Hugh Routledge



CHESS LEONARD BARDEN

IT HAS become rare in recent years for leading foreign grandmasters to compete in international tournaments inside the USSR, despite Russia's reputation as a chess Mecca for serious

players. The major reason is summed up in Larsen's comment: "My mortgage company doesn't accept rubles." When there is a choice of good events in the West, few will opt for a month-long competition with prizes in non-convertible currency.

It is significant that those who have played in Russia, particularly when still young and improving, have shown marked benefit in their later tournaments. After Stean and Miles took part in the Alekhine Memorial of 1975 and Dubna 1976, both flowered into strong grandmasters approaching world class within a year.

Leading English internationals have, to their credit, all considered strong events in Russia and Eastern Europe as an important part of their chess education. That so many of them have been able to go reflects the support provided by the Friends of Chess and by Robert Silk Fellowship travel scholarships.

BRIDGE E. P. C. COTTER

Play of the Hand with Blackwood (Robert Hale, £9.95) is certainly an expensive book, but it does give value for money. In fifteen chapters Esley Blackwood deals with many aspects of declarer play and defence, and illustrates them with well chosen example deals. Let us look as this no trump hand:

and cashed the rest of the diamonds, making his contract with two spades, two hearts, and five diamonds. No one could call this a difficult hand, but I know many players, and I am sure you do too, who would win the first trick with the spade Knave, and so throw away all chance of bringing home the contract.

Winners of the Robert Silk tournament for young masters who have subsequently been financed to play in Russia include Susan, Hartston, Bellin and Spearman. The main function of the Friends is to assist British players' travel to tournaments all over the world. New members of the organisation are always welcome; for details, write to Juniper Cottage, South Park Crescent, Gorrards Cross, Bucks.

As this article is written the young British champion, Jonathan Speelman, has just come third in the international tournament at Frunze, capital of Kirghizistan in Soviet Asia. Earlier this year, also with backing from Robert Silk and the Friends, William Hartston scored 50 per cent in the Keres Memorial in Tallinn against opponents who included two former world champions: Petrosian 12 out of 16, Tal and Vahanian 11, Bronstein 10, Sax (Hungary) and Weingold 9, Knaak (East Germany), Lechtinsky (Czech), Hartston (England) and Silberstein 8, Christiansen (U.S.) and Ney 7, Vitela (Cuba) and Voorema 6, Rytov 5, Ivanovic (Yugoslavia) 5, Rantanen (Finland) 2 (nationalist USSR except where indicated).

East dealt at game all and bid one spade, North raised to three spades—there is no other bid—and South went four. When West led the club eight, the declarer, rightly deciding that it was from a doubleton, held up, but won the King which followed. Crossing to dummy's spade King, he returned a heart and finessed the Queen, losing to the King. West returned the two of diamonds, won on the table by the King, and declarer came to hand with a heart to his Ace, and ran the Knave of trumps. When East failed to follow suit it looked as if South must lose a trump trick in addition to two clubs and a heart.

But all was not lost. He crossed to dummy's diamond Ace, and returned the six which he ruffed in hand. Then he cashed the heart Knave, and cast adrift with the club ten, which East had to take with his Queen.

White W. R. Hartston (England). Black: G. Sax (Hungary). Opening: Grünfeld Defence (Tallinn 1979).

White mates in three moves, against any defence (by F. Giegold, Schachreport 1977).

Now the block in diamonds was solved by overtaking the King with the Ace on the table, and the Knave was returned. East won at once, and led back the heart Queen. Winning with his Ace, the declarer played the Knave of spades and overtook with dummy's Queen. East took the trick with his King and led the Knave of hearts, but South won, crossed to dummy via the ten of spades,

White mates in three moves, against any defence (by F. Giegold, Schachreport 1977).

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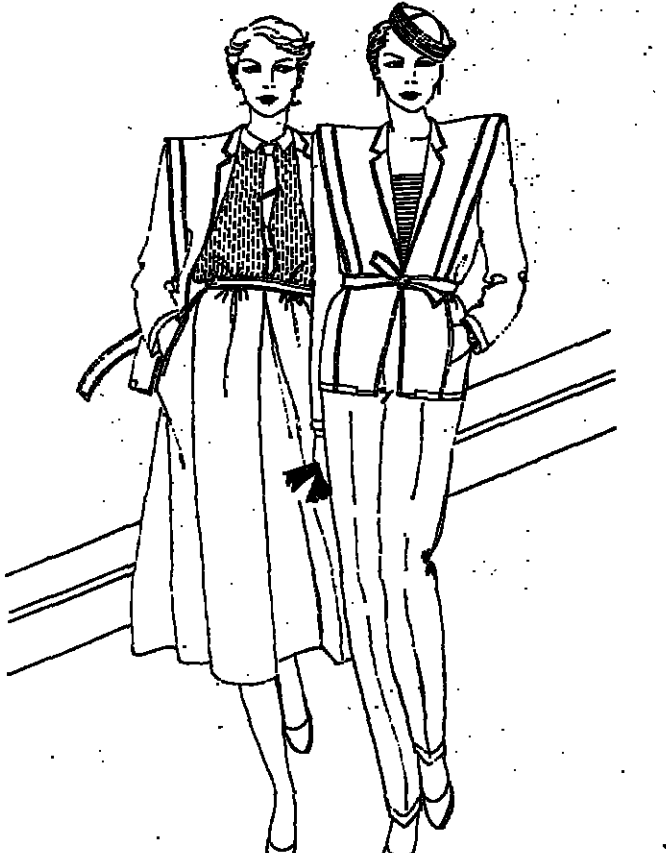
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Drawings by Collie Baker

Designer bargains

AS WE all know it has been a terrible summer. However it's an ill wind and all that—the sales this year should offer some of the best opportunities to buy summer clothes at attractive prices that there have ever been.

FASHION LUCIA VAN DER POST

My attitude to sales always used to be to use them as an opportunity to buy ordinary, sensible things that I wanted any way at much reduced prices. This year I think one should look at them quite differently—they offer a heaven-sent chance to buy clothes you would normally never be able to afford. We all long to have one amazing garment—either to shimmer in at parties, to wear forever as the great classic standby or simply the go-anywhere, look-good-any-time dress. This is the year to buy it.

Whether in or out of London, look at the expensive ranges and you will find very beautiful things—coats, dresses, suits, evening wear, shoes—which will give you lasting pleasure. At Harrods there will be clothes by Courrèges, Jean



Photograph by Trevor Humphries

Advertisement for 'comfort' brand clothing, featuring a chair and text describing the product's features and availability.

Advertisement for 'SWISS FABRIC SALE' at 87 Baker Street, WI, offering fine dress fabrics.

Advertisement for 'GERMAN WINE OFFER' from The Noble Grape, featuring various wine selections.

Advertisement for 'ANNABELINDA Dress Designers' located at 87 Baker Street, WI.

Advertisement for 'THE NOBLE GRAPE' wine shop, located at 87 Baker Street, WI.

HOW TO SPEND IT

by Lucia van der Post

Jewellery: flair, experimentation... and the classics

JEWELLERY can be many different things to many different people. To the rich jewellery offers a means of showing just how rich they are or a way of investing a lot of money in a small package which may well prove a much better investment than stocks and shares. To those who love stones the really rare or beautiful gem gives them a thrill that they don't get from anything else.

However, even those who don't have a great deal of money to spend can indulge in a piece which is exquisitely conceived and wrought, where the true value lies in the quality of the design,

or, if you like, the art, rather than in the intrinsic value of the materials.

At the moment in Britain a great deal of jewellery of exceptional quality is being made in small workshops up and down the country and to my mind most of it represents quite astonishing value. There are plenty of bracelets, rings or brooches made in precious metals like gold or silver which can be bought for less than £100. I'd infinitely rather spend my money on this kind of jewellery than on the dead-end safe buy. This way one's taste, judgment, acumen are all the more

severely tested but the thrill and the fun are much greater.

Just at the moment there is the perfect opportunity to look around at the work of several young designers and see for yourselves just how reasonably-priced this jewellery is and to spot, perhaps the Cartier or the Fabergé of the future. Sketched and photographed, here, is a selection of the work from three exhibitions currently on in London: two are at small galleries, and the third is from the famous annual bazaar for those who want to see what is happening in the jewellery world at grassroots level—Loot.

NATHALIE HOCQ is still under 30 and is managing director of Cartier SA, the world-famous jewellery company. When people discover that her father, Robert Hocq, is president of Cartier, they tend to nod knowingly, as if to say, "Ah-ha, so that's how she got where she is." They don't think that for long if they have anything to do with her in her working capacity. I believe her utterly when she says: "The fact that my father is president meant that I got there quicker, but I would have got there some time even without him." She is also quick to point out that they don't own Cartier, they only run it, are answerable to boards and shareholders like any other managers. Mademoiselle Hocq came into the Cartier orbit when things were not exactly slipping but it would be hard to say that they were flourishing either. Cartier is one of the great blue-chip names in the world and yet since the death of the great genius behind it, Louis Cartier, in 1942, the company had lost its main impetus.

Mlle. Hocq moved very carefully when she first arrived at Cartier. First she analysed the company in depth. Then she set up the archive room where the past richness could be drawn upon wherever necessary. She recognised at once that it was the genius of the original designs which were the life-blood of the company but that they couldn't go on reproducing them for ever. Somehow creative originality (within the Cartier tradition) had to be re-introduced. She recalled two designers who were retired and asked them to help train new designers in the Cartier image. "I wanted the fresh, young

impulse coupled with the Louis Cartier style." She set about finding workshops where craftsmen could be trained to make things with the quality the Cartier image demands.

She also saw that Cartier would have to grow and adapt to modern conditions without throwing out the Cartier style. Their old customers were dying off, new markets would have to be found, new needs met. The way to do this, she decided, was to create new things, using the basic Cartier motifs. For instance, one collection just about to be launched explores the theme of the pointed blue sapphire which, as every Cartier fan knows, is part of the winder on the famous tank-watch. Photographed below, right, is a collection of jewellery based on the equally well-known three-colour gold theme.

Just as the original Louis Cartier had found that even his very rich clients didn't always want to spend a great deal of money but sometimes wanted small items to give away as presents and created his Select line of gifts, so Nathalie Hocq revived the S for Select idea.

Last year the first of these were launched—a highly successful collection of evening bags, all based on original Cartier designs and a ravishing collection of hair-slides and ornaments.

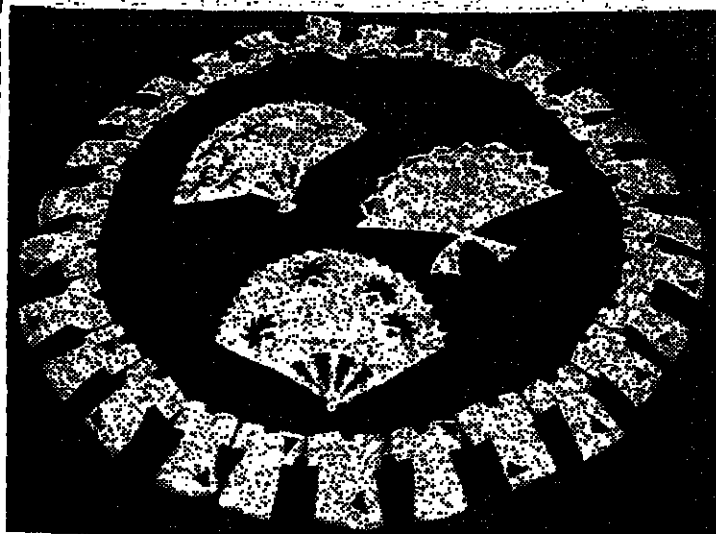
To capture the market for lighter, prettier, less expensive but still precious jewellery, a collection of delicate, very wearable pieces for young girls was launched in 1973. Prices started at about £135 and mothers could give them to their daughters for a 21st birthday or



Nathalie Hocq at work in her office in Paris

on marriage, and successful working girls could even think of buying them for themselves. All these moves have proved popular not only with the customers but also with the accountants—in 1972 the turnover of the three shops in New York, London and Paris amounted to about \$13.5m. In 1978 it came to \$140m (and profitability improved even as \$60.

For the moment Mlle. Hocq seems to be managing very cleverly to walk that most difficult tight-rope of all—making products that are essentially desired because of their exclusivity available to a much larger market. People who 10 years ago wouldn't have dreamt of entering a Cartier shop, today can go into one and come out with something costing as little as £60.



The Argenta Gallery at 82 Fulham Road, London, S.W.3 always has interesting and enterprising young jewellers whose work they exhibit and sell. David Jewell, who runs the gallery, has an impeccable eye so anybody interested in modern jewellery should make a point of visiting the gallery from time to time.

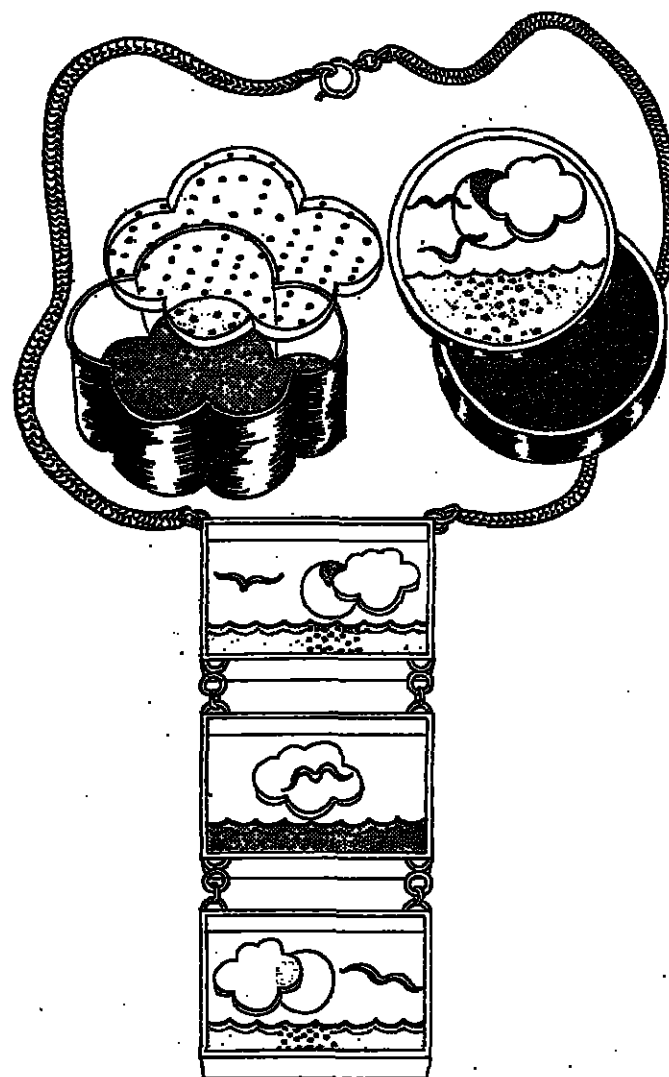
Photographed and sketched here is a selection of work by two young people, Jane Birks and David Goodship. Jane Birks, whose work is photographed above, works in silver which is decorated with polyester resin, while David Goodship uses the silver frames and sheet acrylic.

As David Jewell points out in his learned way, their work is primarily concerned with depicting figurative images but it does

nevertheless, acknowledge the "hard-edge" technological accomplishments of recent years. Both avoid romanticism in their choice of materials and in the restrained stylization of their images. Their work is genuinely witty, but with a style and linear severity that prevents it from being merely frivolous or "throwaway".

Jane Birks' silver brooches and pendants, are flat, the subject—fans, kites and kimonos—clearly defined. In the photograph you can see clearly how she explores her themes—the kimonos form the necklace (£200), the brooches take the form of fans (£42).

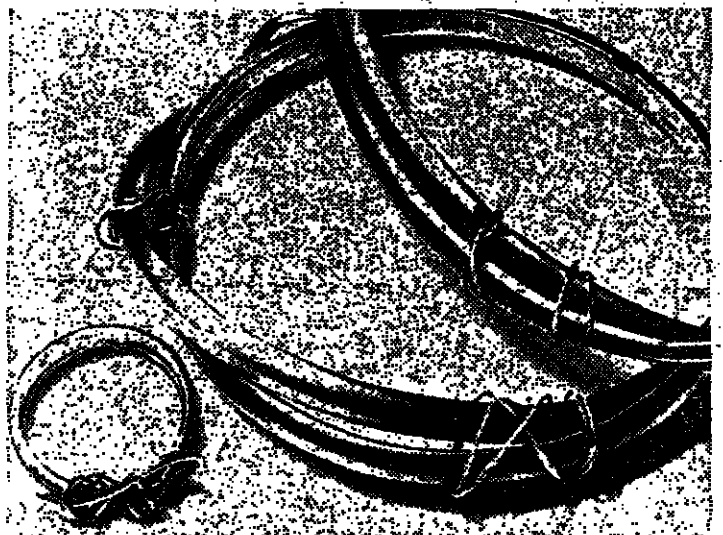
David Goodship's work (sketched right) seems to have an air of great innocence about it. He uses sheet acrylic and builds up layers within a silver



Drawings by Collie Baker

frame to make crisp, almost cartoon-like perspectives that develop as a narrative—see particularly the pendant which has three sun, cloud and sea-

scapes (£100). Set inside the necklace are two of his boxes—one a lovely silver and acrylic cloud (£100), the other a seascape box (£75).

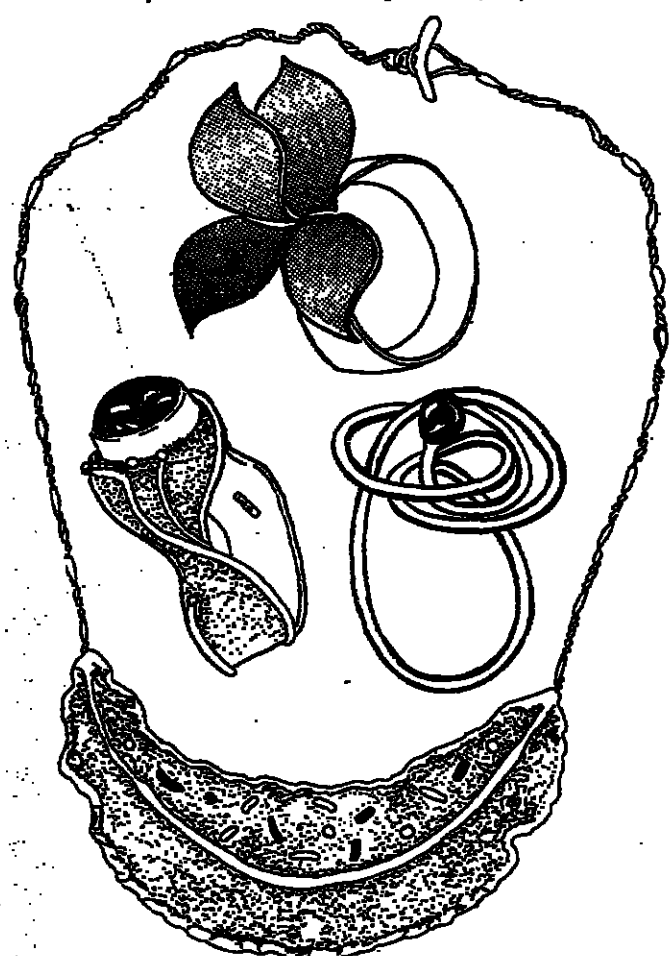


Loot is here again—at the Goldsmiths' Hall from Monday, July 9 until Saturday, July 28. Readers who have become fans of the annual Loot exhibition will remember that it features the work of jewellers all over the country—there are two conditions for selection: pieces must be approved of by the selectors and must sell for under £100.

Having seen a preview of the exhibits I do not feel it is a vintage year, but there are many lovely pieces and those who want to buy something special either

for themselves or somebody else should go along—they can be sure of finding something original and beautiful at prices varying from as little as £7.00 to just on the £100 mark.

Photographed, above, are three chat and bound pieces from the Loot exhibition—a bracelet, choker and ring made of oxidised silver and red wire (red wire being unhallmarked gold) by Susan May. The pieces can be bought as a set or separately, £80 for the choker, £50 for the bracelet and £16 for the ring.



The Casson Gallery at 73 Marylebone High Street, London, W.1 is probably best-known for its craft pottery but Pan Henry, who runs the gallery, always has a small selection of jewellery. From a design point of view the jewellery is probably less distinguished than that at the Argenta Gallery but a lot of it is very decorative and eminently wearable. Marian Watson, in particular, whose pendant of silver decorated with 9 carat red and yellow gold pieces is outlined in the drawing, above, has produced an enchanting collection of rings all of which are made

from silver and 18 carat gold and feature a whole variety of stones. One of Marian Watson's rings featuring a green tourmaline (£80) is shown sketched within the necklet (bottom left). The necklet is £52. The other two rings shown within the pendant are, bottom right, a ring made from Tantalum and made almost like a geometric puzzle and topped with a pearl (£46). Sketched at the top is another ring made from Tantalum in the form of a flower and with a shot silk effect (£80). Both of these are by Ingeborg Bratman.

Postscript

IF YOU'RE travelling either on business or on holiday in the next few months it would be

worth asking your travel agent for a small leaflet, produced by a firm called Copper Wood. They have introduced a range of seven products, all designed to help the traveller and all of them very reasonably-priced and neatly packaged. I daresay some thrifty souls prefer to package their own collection of emergency aids but personally I find they come in handier sizes when professionally done.

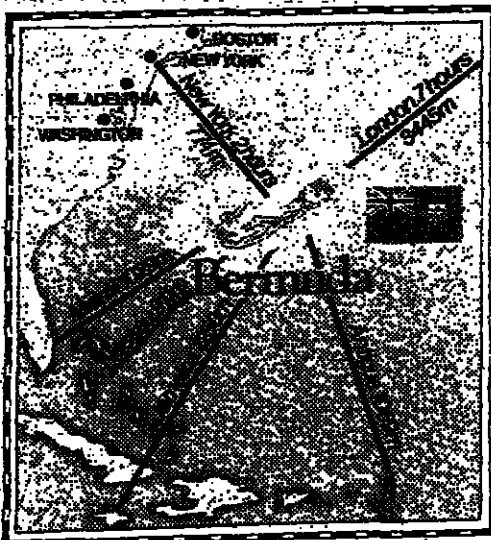
Copper Wood have a crisis kit measuring 5 in x 3 1/2 which includes things like needle and thread, nail polish remover, emery board, safety-pin, buttons, spot-remover, rain bonnet, etc. for £1.20. There's a First Aid Kit with some basic medical items for £4.52, a Mosquito repellent pack for 50p. Then there's a Washing and Cleaning Kit (£3.89), a Tailor's Mending Kit (£1.51), a multi-purpose knife (£2.89) and, finally, some webbing luggage straps for £3.44.

All these items can be bought by mail directly from Copper Wood, Industrial Estate, Southwater, Herts, HX13 9TH. If your local travel agent doesn't have their brochure you can also get them by mail. Post and packing will be extra.



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ARTS

McIntyre's message

Press reports of a great shake-up along the corridors of Radio 3 have been somewhat exaggerated. That was the message I took away from a briefing from its Controller, Ian McIntyre earlier this week.

RADIO ANTHONY CURTIS

Quite clearly that does not mean that the music content of the network's programmes should be in any way diluted or diminished. Mr. McIntyre confirmed this by divulging a number of forthcoming concerts to be broadcast on 3 from the Festival Hall, St. John's Smith Square, Chicago and Hong Kong under such conductors as Rozhdstevsky, Leppard, Maazel and Solti.



Audrey Leybourne, Clive Swift, Aaron Shirely and Tara Soppet

All Together Now

If David Storey had written All Together Now, currently at the Haymarket Theatre, Leicester, instead of Peter Buckman, it would have been acclaimed as a little masterpiece of social analysis.

Keith, first cornet, is a 14-year-old schoolboy, and David Learner (by permission of Equity), acts almost as well as he blows his instrument.

test piece called "Blenheim," leaving Keith, the boy cornet player, as the only supporter of excellence, until he, too, leaves in a flurry of disappointed anger.

Hippolytus' transfers to The Warehouse

The Royal Shakespeare Company's production of David Rudkin's Hippolytus which premiered at The Other Place last December, opens at the Warehouse on July 18.

Cost at Glyndebourne

Let praise for the Peter Hall production of Cost for suffer, for its reinstatement this festival season by GnuM Mostart, begin with a list of negatives. There is not a single bit of well-tried Mozart comedy business to be seen in the performance.

The list could grow longer. More remarkable and more valuable is its converse, positive side. In this staging, the text itself is the thing most scrupulously surveyed. This is not a fancy Cost; the comedy of such things as the doctor's "pezzo di calamita pietra Mesmerica" and its immediate restoration of the prostrate Albanians has been expertly polished.



Alan Titus and Patricia Parker

TV Radio section containing program listings for BBC 1, BBC 2, and various regional channels like Anglia, Southern, and Tyne Tees.

Regional TV listings for Yorkshire, Granada, and ITV, including program titles and times.

TV Ratings section for the week of July 1, listing program ratings and viewer statistics.

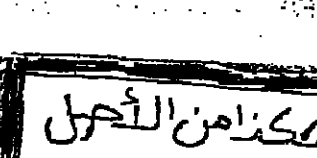
Chess Solutions and Weekend Choice sections, including chess puzzles and a detailed TV schedule for Saturday and Sunday.

Theatres section listing various theatre companies and their current productions, such as Adelphi Theatre and Alwyck Theatre.

Theatres section listing productions at the Arts Theatre, Boulevard Theatre, and other venues.

Theatres section listing productions at the National Theatre, Phoenix Theatre, and other major venues.

Theatres section listing productions at the Savoy Theatre, St. Martin's Theatre, and other venues.



COLLECTING

Mackintoshes

BY JUNE FIELD

SINCE Sothby's Belgravia Memorial Exhibition in 1933 opened nearly eight years ago...

For example a small oak table sold by Sothby's Belgravia in November 1975...

The hard pore of collectors still come from overseas with German buyers showing keen interest in the Mackintosh market...

Did you ring, sir?

WHAT IS a fellow to do when he finds on the breakfast tray a biography of his manservant...

PAPERBACKS

air. But a tap with an egg-spoon proved it to be as resilient as Ruff if not in the event so readable...

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Saturday July 7 1979

Hard facts—wishful words

BY THE END of this week, the markets showed signs of getting back into touch with reality. The Government, however—and ours is not the only one guilty in this respect—seemed to be finding reality a little too hard to bear.

The mortgage affair is not very important in itself, but it does raise important questions. There are far more depositors than borrowers on the books of building societies, but since the average loan is correspondingly much bigger than the average deposit, rise in rates gives more pain to borrowers than pleasure to savers.

Escapism

What is disturbing is the background implication—the idea that the Government can check inflation by proclaiming credit squeeze while protecting voters from any very unpleasant consequences.

The Government has adopted a tight-money policy which has resulted in high credit costs and a high value for sterling, and is likely in due course to deflate demand sharply.

Argument

Incidentally, Sir Keith's definition of profit—sufficient revenue to cover interest charges and depreciation—was itself rather question-begging.

academics, between investment analysts, and in our own correspondence columns. A Government which has called for inflation accounts as a basis for company taxation needs a more sophisticated approach to the finances of publicly owned industries.

Bolder

These realities will assert themselves soon enough, however, and so will the realities of the energy situation, which were hardly fully confronted by the assembled world leaders in Tokyo, despite their "historic" decisions.

A cut in consumption is of course only a short-term strategy; for the longer term, the leaders reasserted their faith in substitute sources. If this resolution leads to action, as it did not after the initial price increase in 1973, then the consequences could be large.

Living standards

Some such programme is necessary; but it would not of course provide additional resources for consumption for some years. If the present crisis were effectively confronted it might entail, like a war, a period of enhanced activity but rather austere consumption.

That is the real underlying discomfort, which Mrs. Thatcher faced boldly in Tokyo. The first step in an effective answer to world inflation is a willingness to accept reduced living standards for a while.

THE CHANCES are that in the near future the Government will announce a second phase in the dismantling of British exchange controls to which it committed itself in the Budget.

The quandary caused by the rise of sterling has led to this unusual haste. It is impossible to assess what the immediate impact on sterling of a relaxation of controls on portfolio investment will be.

Ever since the budget, the prospect of so rapid a development has been causing some concern in that part of the City concerned with British access to overseas securities.

Earlier this year the premium price necessary to balance buyers and sellers of currency within this pool was almost 50 per cent. By budget day it was down to 25 per cent.

Smart investors cashed in their premium currency some time before the budget, either by selling their overseas securities or by substituting foreign currency loan facilities for their overseas portfolios.

Vanguard of outflow

Smart investors cashed in their premium currency some time before the budget, either by selling their overseas securities or by substituting foreign currency loan facilities for their overseas portfolios.

sterling when and if the portfolio restrictions are lifted: they will be buying back into their foreign securities to pin down their gains or, alternatively, paying off their overseas loans.

Some UK investment managers—either jumping the gun or thinking that the gun will not go off—have started repaying their overseas loans already through the greatly diminished premium.

Inconstant pool

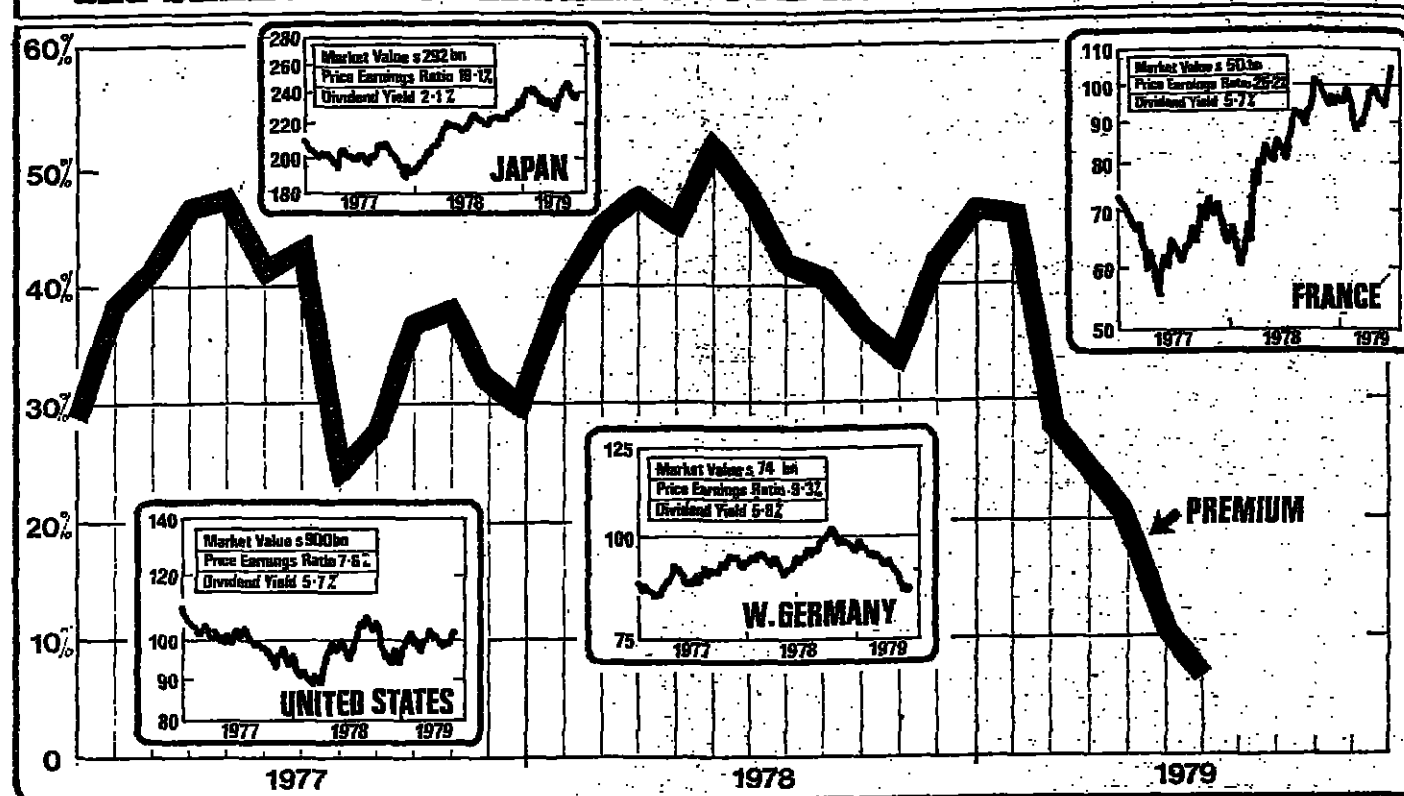
The size of the investment currency pool has not remained constant since its predecessor, "security sterling," was introduced in the early 1950s. It expanded as securities in the dwindling sterling area were deemed sensible to wipe the debt out at a once-only cost through the premium of 7 per cent.

Mounting EEC pressure, culminating in the decision to drop the give-up rule at the start of 1978, made UK investment managers aware that the days of the premium were numbered.

Yet this does not mean that the removal of the premium has already been discounted. The prospect of its demise has made investing via the premium doubly unattractive.

A straw poll of fund managers and pension and insurance funds

EFFECTIVE INVESTMENT CURRENCY PREMIUM and SELECTED OVERSEAS STOCK MARKETS



produced the following observations on the possible consequences.

There is a widespread intention among fund managers to pay off security loans. An extrapolation of Bank of England figures suggests that such loans must now total some £1.2bn—though it is possible that a recent rapid rise has increased this debt further.

After the U.S., the Japanese stock market is the alternative most often cited. Its liquidity and its recent performance are factors here.

Fund managers are not straining at the leash to move money abroad, but the majority of them say that the removal of the present disincentives would raise the proportion of their funds they would be willing to hold abroad if foreign markets were more attractive.

Quite a strong disincentive to the use of this leeway appears to be a pervasive disillusionment with the U.S. stock market. For reasons of history, and because of its unique liquidity, investing abroad appears to be a synonymous for a number of fund and portfolio managers.

Pension funds, rather more than insurance companies, seem

to feel restricted in their attitude to overseas investment. First, they have to bear the trustees in mind. Second, they are particularly aware that their ultimate payout must be in sterling.

It is hard to be categorical here, because there is a thriving Eurobond market in the City, outside the Stock Exchange and despite exchange controls.

The longer term effects of the move concern the future of the City as a securities trading centre. The Stock Exchange's contribution to the City's invisible earnings has lagged

far behind that of the banking, insurance and other markets. Alongside the basic cause of Britain's dwindling industrial wealth, portfolio investment controls have undoubtedly hindered the City from being a place where the wealth of other countries has been brought together with other countries' securities.

What will this new freedom amount to? The Treasury and Bank are now silent. It seems probable, however, that the Government will choose to grant additional freedom gradually rather than all at once.

Nostalgia for 1930s

In its evidence to the Wilson Committee the Stock Exchange looked back nostalgically to the 1920s, and 1930s when the London "street market" in U.S. and Canadian securities offered greater freedom to deal than did New York. The Stock Exchange chairman, Mr. Nicholas Goodison, told the committee that "one of the reasons why we have not been able to establish ourselves as one of the biggest inter-

national markets has been exchange controls."

Yet the straw poll suggests that even with exchange controls relaxed this will be a difficult decline to reverse. The majority of funds and fund managers explained that they now choose freely between advice and service from a London broker specialising in another country, from a broker in the City from that country, and from a broker in that country—with the emphasis being, if anything, upon the last. Communications have made this choice possible.

Letters to the Editor

Pressures

From Mr. C. Simeons. Sir—Mr. Baker White's question (June 26) as to why the captains of industry have not cheered the Budget has not been answered. In short, they are realists. Like those of us who in our time have watched the economic cycles from within Parliament, they know that the benefits from this dramatic change of direction in the Budget, will take a long time to become apparent.

from Slough. I would have been no worse off if the letter had arrived several hours later and the postman been allowed to take a reasonable amount of time in practice of course, as the Post Office has already told us, if postmen worked more reasonable hours there would not be a shortage of postmen and my letter would have arrived several days earlier.

The other sacred cow of the Post Office is the post code. Even the most ardent supporters of the present situation cannot claim that it has met its promise. When practically every other country in the world went for an all number system and not long after our own telephone system abandoned letters on its dials the post office chose the mixed alpha numeric system.

It should be scrapped now before any more money is wasted on it. We should adopt an all number system. Instead of the present micro dot converters to read the codes, when they are used, the standard bar code system should be used.

Furthermore such a system using the latest in cheap chip technology would be capable of sorting the postman's round for him whilst he has that extra hour in bed!

Chiltern Personnel Consultants, 58, Bullers Court Road, Beaconsfield

Daylighting

From Mr. D. Liss. Sir—Further to Sir Jan Lewando's letter (July 3), the Post Office could quickly and simply institute a lower charge

system (at second class rates) for items posted before say 1 p.m. This would result in more daytime work and less evening and night work for its staff.

Coasting

From Mr. P. Wootton. Sir—I refer to your article of June 28 which indicated ways of saving fuel, and would suggest that the writer omitted the best way of making large fuel savings at minimal cost. In my view this would be achieved by fitting free-wheel devices to the final drive of all new cars, as was done with the Rover 12 about 40 years ago.

As a motorist during severe wartime petrol rationing, I know that substantial savings of 10 per cent can be saved by "coasting" and although this practice is rightly regarded as dangerous in conventional cars, there can be no reasonable objection if losses are reduced by the use of a properly fitted and reliable free-wheel. Modern brakes do not require the assistance of continuous friction losses to back up their performance every time the right foot is taken off the accelerator, and any intelligent driver should be able to drive a properly modified car with complete safety after a little practice.

I am in favour of all methods of saving fuel and certainly hope that the other suggestions mentioned by Mr. Gooding will receive proper consideration in view of the very serious (and worsening) fuel situation.

Philip Wootton, 11, Grammar School Lane, Northallerton, North Yorkshire.

Oil

From Mr. W. Whalley. Sir—It seems worth recalling at the present time that the ICI oil-from-coal plant at Billingham, with a capacity of 100,000 tons a year, was completed, in the early 1930s, in a period of a little over two years. Admittedly

all development plans had been prepared beforehand. Moreover an excise preference of four old pence a gallon sufficed to ensure its commercial viability.

From Mr. M. Mitchell. Sir—In your leading article (July 2) you mention that there is a shortage of engineers but little demand for engineering training. One reason for the latter is the formidable barrier constituted by "A" level mathematics, since without that qualification the most ardent would-be engineer can go no further.

The authors of the new maths have cast Euclid aside in the earlier stages in their folly (not my opinion, but that of René Thom, one of the foremost mathematicians of our time), and have proceeded from there to build a structure of examinations which is largely unrelated to practical requirements.

From Mr. F. Shirley. Sir—How in your survey of the Channel Islands (June 29) could you omit the one company that carries the name in general, and that of Jersey in particular, further afield than any other? How can you describe our friends Le Tricoteur and their Guernseys, and omit to mention us and our Jerseys? Sir, how could you ignore us and in so doing get some facts so wholly wrong? We, not Redifusion, are the

largest industrial concern in Jersey. We employ over 250 people in St. Helier, our annual turnover approaches £35m and our production of high quality men's knitwear is exported all over the world.

From Mr. E. Fromm. Sir—If the Western countries could bring themselves to act as an entity they could follow one of Switzerland's examples—curtail surplus money deposits and thus reduce the impact of the Organisation of Petroleum Exporting Countries oil increases.

From Mr. B. Cole. Sir—I was pleased to see from Mr. Cockman's letter (June 29) that he is aware of the need for more information about the effectiveness of employee share schemes in this country.

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Congratulations to Dan Maskell, the talk of Wimbledon for 30 years.



مکان العمل

UK COMPANY NEWS

Independent Newspapers ahead 40% at halfway

PRE-TAX profit of Independent Newspapers, Ireland's largest media group, was 40 per cent higher at a record £1.9m for the half year to June 30, 1979.

DIVIDENDS ANNOUNCED

Table with columns: Company, Date, Current payment, Corré Total, Total last year. Includes Carless Capel, Joseph Causton, Eucalyptus Pulp, etc.

Ellerman breweries results

TWO brewing subsidiaries of Ellerman Lines have announced results for 1978. J. W. Cameron and Co. increased profits by about £900,000.

Advance to £1.1m for UK Property

W. L. Pawson, the fast-growing clothing group, has emerged as the bidder for Silhouette (London) which makes a range of swimwear and underwear.

Pawson emerges with £3m offer for Silhouette

W. L. Pawson, the fast-growing clothing group, has emerged as the bidder for Silhouette (London) which makes a range of swimwear and underwear.

BIDS AND DEALS

James Gulliver Assoc. buys 10% stake in distiller group

James Gulliver Associates, the private investment company headed by Mr. James Gulliver, is buying a 10.26 per cent stake in Amalgamated Distilled Products.

Evode family rejects £9.7m

A PROPOSED £9.7m offer for Evode Holdings, the manufacturer of adhesives and joining compounds, has been rejected.

Regalian Properties first half headway

PROFITS before tax of Regalian Properties were up from £337,207 to £430,313 in the year ended March 31, 1979.

Porvair loss at mid-term

EXTERNAL strikes hit Porvair in the six months to April 30, 1979, and the manufacturer of microporous synthetic materials turned in a loss of £39,000.

James Gulliver Assoc. buys 10% stake in distiller group

James Gulliver Associates, the private investment company headed by Mr. James Gulliver, is buying a 10.26 per cent stake in Amalgamated Distilled Products.

BRITISH TISSUE SALE TALKS BROKEN OFF

NEGOTIATIONS about the possible sale of British Tissues to Stirling, Incorporated, of California were finally broken off yesterday.

Midland's U.S. offer endorsed

Walter E. Heller International Corporation and Midland Bank have endorsed Midland's proposed offer for Heller.

Dollar Land still waiting for outcome of U.S. litigation

SHAREHOLDERS IN Dollar Land Holdings expecting a final settlement in the litigation surrounding the sale of U.S. properties still have a long wait ahead of them.

Saint Piran appointment

Mr. Malcolm Stone, managing director of Gasco Investments, the Hong Kong company controlled by Mr. James Raper, is joining the Board of Saint Piran.

BOC ferroalloy disposals completed in part

Airco Incorporated, the wholly-owned subsidiary of BOC International, has completed part of the sale of its ferroalloy business.

VIEW FORTH

VIEW FORTH Investment Trust has declared two dividends to be paid on August 1, the day before the amalgamation with Crescent Reserves Fund.

ASSOCIATE DEALS

Baring Brothers and Company bought 50,000 shares of Baring Securities at 220p on July 5 for Scottish and Newcastle Breweries.

Results due next week

TWO of the tobacco giants, Imperial Group and Rothmans International, are due to report figures next Thursday.

MMC-Kelantan agreement

AN agreement has been signed between the major tin group, MMC, and Kelantan State.

Quilter Hilton new unit

The Quilter Hilton Goodson stockbroking firm is launching a new unit trust to invest worldwide.

RESULTS AND ACCOUNTS IN BRIEF

HARGREAVES GROUP—Results for year to March 31, 1979 reported on June 22. Fixed assets, £126.2m (121.8m).

PARKER KNOLL

Parker Knoll has become a close company within the meaning of the Finance Act, the directors have announced.

Table with columns: Company, Dividend (p), Last year, This year. Includes Thorn Electrical Industries, Town and City Properties, etc.

ALFRED DUMHILL

ALFRED DUMHILL (60.6 per cent owned by Rothmans International) has reported fixed assets, £22.4m (22.2m).

LENDU RUBBER ESTATES

LENDU RUBBER ESTATES—Pre-tax profit for year to March 31, 1979, £1.5m (1.3m).

WILSON HOLDINGS

OCEAN WILSON HOLDINGS—Results for year ended January 31, 1979, reported on June 22.

Vertical text on the right edge of the page, including 'Shareholders' and 'Keep'.

WORLD STOCK MARKETS

Wall St. up 10 on energy hopes

INVESTMENT DOLLAR PREMIUM... SHARPLY HIGHER levels developed in late trading on Wall Street yesterday...

Domestic Bonds active, with Public Authority Loans firming up to 15 pence...

NEW YORK Stock market table with columns for Stock, July 6, July 5, and July 4. Includes various company names and their stock prices.

Indices

NEW YORK - DOW JONES table showing indices for Industrial, Transport, Utilities, and Composite sectors.

INDICES

Table showing various international indices including MONTREAL, TOBACCO Composite, and JOHANNESBURG.

STOCKHOLM, COPENHAGEN, AMSTERDAM, BRUSSELS/LUXEMBOURG, OSLO, and VIENNA stock market tables.

F.T. CROSSWORD PUZZLE No. 4015. A prize of £5 will be given to each of the senders of the first three correct solutions...

RACING BY DOMINIC WIGAN. Swiss Maid hard to beat in Eclipse. NO FILLY has landed the Eclipse Stakes in over 20 years...

CROSSWORD PUZZLE No. 4014. Includes a 10x10 grid and a list of clues for both Across and Down directions.

SWISS MAID HARD TO BEAT IN ECLIPSE. A detailed article about the horse racing event, mentioning the jockey Lester Piggott and the horse Swiss Maid.

SWISS MAID HARD TO BEAT IN ECLIPSE. Continuation of the article from the previous block, discussing the significance of the Eclipse Stakes and the performance of Swiss Maid.

Companies and Markets

INTERNATIONAL COMPANIES and FINANCE

SNECMA optimistic on orders

By Terry Dodsworth in Paris THE IMPROVING position of the French State-owned aero-engine company, SNECMA, recently underlined by heavy orders for its new CFM 56...

Safmarine to switch from oil shipping to bulk trades

By JOHN STEWART IN CAPE TOWN SAFMARINE, the South African national shipping line, is to leave the oil transportation business and will expand its bulk trades, especially coal.

Petroleum Exporting Countries in Geneva where oil prices were raised to between \$18 and \$23.50 a barrel for the next three months.

Australian oil explorer flotation

By John Rogers in Sydney A NEW oil and gas explorer - Oil Company of Australia (NOA) - is to be floated on the Australian market through an issue of 49.9m shares of 50 cents nominal value...

DAF Trucks in surplus for first half of year

By CHARLES BATCHELOR IN AMSTERDAM DAF TRUCKS, the Dutch commercial vehicle-maker, made a profit in the first six months of 1979, following a loss in the whole of 1978.

Abidjan are only a first step in the expansion of this type of activity. DAF remains concerned at the high level of wage costs at its plant in Oevel, in Belgium.

Honeywell SpA ahead

Honeywell SpA, Italian control system, subsidiary of electronics manufacturer Honeywell of the U.S., boosted its sales by 79.6 per cent on a sales gain of 11.6 per cent in the year ended June 30, 1978.

Roche to enter French agrochemicals sector

By JOHN WICKS IN ZURICH THE SWISS chemical concern F. Hoffman-La Roche is negotiating with Cie. Francaise Philips of Paris to acquire control over the French agrochemicals company La Quinoletine SA.

Sharp rise in Kulim Berhad profits

By Wong Sulong in Kuala Lumpur ANOTHER MALAYSIAN plantation group, Kulim Berhad, has announced sharply higher profits in line with the commodity boom.

Increase in metal prices favourable for Hoboken

BRUSSELS - Metallurgie Hoboken-Overpelt SA said results for its year ending September 30 have been favourable and final profits could perhaps be better than in the previous year.

Cities Service expects to be in the red

By David Lancelles in New York CITIES SERVICES, one of the major participants in the Canadian synchrode project, said yesterday that it expected to register a loss on its operations there this year, in contrast to earlier projections of a profit.

Polaroid expects setback

CAMBRIDGE - Polaroid expects second quarter earnings to fall below the year earlier 80 cents per share. In a statement issued before the release of the second quarter results, Polaroid said that second quarter worldwide sales would be up about 6 per cent.

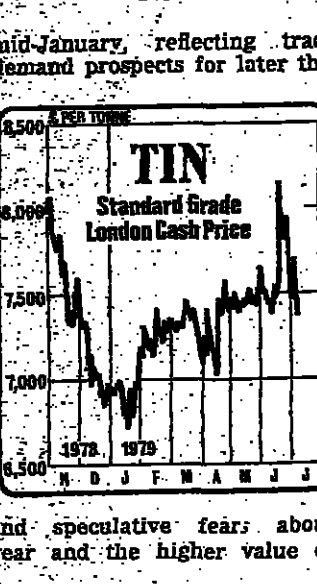
The First Viking Commodity Trusts

Commodity OFFER 44.6 Trust BID 42.4

COMMODITIES/Weekly review

Sharp fall in cash tin price

THE CASH tin price collapsed on the London Metal Exchange yesterday as the squeeze on tin dealers' holdings, the bulk of available supplies, and predictions of a rise in Metal Exchange warehouse stocks following the delayed arrival of new shipments in Europe, caused the sudden collapse.



MARKET REPORTS

BASE METALS

COPPER - Little change on the London Metal Exchange. Forward metal first moved up from \$835 to \$841 on the eastern pond and short covering before closing at \$835.

GRAINS

LONDON FUTURES (GAFTA) - The market opened up 10p on barley and 5p on wheat, values advanced on quiet trading.

AMERICAN MARKETS

COMMODITY MARKET - NEW YORK, July 6. Selling pressure yesterday as the dollar strengthened.

WHEAT

YESTERDAY'S +/- or Business Done Mth Close +/- or Business Done

WEEKLY PRICE CHANGES

Table with columns: Latest prices per tonne, Change on week, Year ago, High, Low. Rows include METALS (Aluminum, Free Market, etc.), COPPER, NICKEL, SILVER, WHEAT, SOYABEAN MEAL, etc.

COCAOA

Coming under renewed selling pressure, cocoa prices fell sharply and the previous evening, reported by the London Cocoa Association.

SILVER

Silver was fixed 7.95p an ounce higher for spot delivery in the London market yesterday at 401.45.

COFFEE

Robusta opened slightly lower and during a disappointing morning session the market fluctuated in a narrow range.

SOYABEAN MEAL

The London Market opened £1.60 higher and traded around these levels until late in the afternoon session when it rallied due to a weaker sterling and fresh commercial buying plus rumours of a Russian-Chinese interest.

*Nominally. †Unquoted. (a) - Misappreciated. (w) Sept./Oct. (1) Sept.

BRITISH FUNDS (639)

Table listing various British funds with columns for fund name, date, and price. Includes funds like British Transport, British Overseas, and British World.

BREWERS (82)

Table listing various breweries with columns for name, date, and price. Includes names like Allott Breweries, Beckett's, and Boddingtons.

PUBLIC BONDS (14)

Table listing various public bonds with columns for name, date, and price. Includes Treasury, National Debt, and Government bonds.

COMMONWEALTH GOVTS. (11)

Table listing various Commonwealth governments with columns for name, date, and price. Includes Australia, Canada, and New Zealand.

FOREIGN STOCKS (1)

Table listing various foreign stocks with columns for name, date, and price. Includes companies from the USA, Europe, and other regions.

CORPORATIONS (18)

Table listing various corporations with columns for name, date, and price. Includes companies like British Airways, British Telecom, and others.

UK goods to Abu Dhabi

Article discussing the Abu Dhabi National Oil Company's order for gas gathering and propane refrigeration equipment from UK manufacturers.

SINGAPORE

Table showing market data for Singapore, including indices and prices for various goods.

CINEMAS continued from Page 16

Table listing cinema listings and showtimes for various theaters in London.

Society cash allegations

Article reporting on allegations of irregularities in the accounts of the Society of Friends, involving the London and Midland Building Society.

Swedish car sales rise

Article reporting on a significant increase in Swedish car sales in Sweden during the first six months of 1978.

Stock Exchange dealings

Summary of stock exchange activity, including a list of major deals and price movements on Thursday, July 13, 1978.

Bank Return

Table showing the Bank of England's return for the week ending July 13, 1978, including assets and liabilities.

Issue Department

Table listing various issues of government securities and other financial instruments.

10 4% p.a. NET

Advertisement for Hill Samuel Life EXTRA INCOME BOND, highlighting a 10% net return and tax advantages.

EUROPEAN OPTIONS EXCHANGE

Table showing the European Options Exchange with columns for series, volume, and price.

Handwritten Arabic text

Handwritten Arabic text, likely a signature or note, located at the bottom of the page.

Financial Times Saturday July 7 1979. Table listing various financial instruments, companies, and their prices.

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Applications granted for specific bargains in securities not listed on any Stock Exchange. Includes sections for JULY 5, JULY 6, JULY 7, JULY 8, JULY 9, JULY 10, JULY 11, JULY 12, JULY 13, JULY 14, JULY 15, JULY 16, JULY 17, JULY 18, JULY 19, JULY 20, JULY 21, JULY 22, JULY 23, JULY 24, JULY 25, JULY 26, JULY 27, JULY 28, JULY 29, JULY 30, JULY 31.

CURRENCIES, MONEY AND GOLD

UK MONEY MARKET. Bank of England Minimum Lending Rate 14 per cent (since June 12, 1979). The Treasury bill rate fell by 0.082 per cent to 13.343 per cent at yesterday's tender and the minimum accepted bid rose to 298.69 p at 98.67. Bids at that level were met as to about 84 per cent of the offer.

EXCHANGES AND BULLION. Sterling fell back in fairly quiet trading yesterday to finish barely up from levels gained last Tuesday. Sterling's overall trend was reflected in its trade weighted index, which fell to 70.8 from 71.2, having stood at 70.9 at noon and 71.3 in the morning.

Table of exchange rates for various currencies including Argentina, Australia, Brazil, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, India, Ireland, Italy, Japan, Korea, Kuwait, Malaysia, New Zealand, Norway, Portugal, Singapore, South Africa, Sweden, Switzerland, Taiwan, Thailand, Turkey, West Germany, and Yugoslavia.

Table of gold prices and forward rates. Columns include Gold Bullion (fine ounce), Gold Bullion (gross ounce), Gold Bullion (gross ounce), Gold Bullion (gross ounce), Gold Bullion (gross ounce), Gold Bullion (gross ounce), Gold Bullion (gross ounce), Gold Bullion (gross ounce), Gold Bullion (gross ounce), Gold Bullion (gross ounce).

Table of London Money Rates. Columns include Overnight, 7 days notice, 14 days notice, 1 month, 3 months, 6 months, 9 months, 12 months, 18 months, 24 months, 30 months, 36 months, 42 months, 48 months, 54 months, 60 months, 66 months, 72 months, 78 months, 84 months, 90 months, 96 months, 102 months, 108 months, 114 months, 120 months.

Table of Euro-Currency Interest Rates. Columns include Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian Yen, Japanese Yen.

Table of Ems European Currency Unit Rates. Columns include Belgium Franc, Danish Krona, Dutch Guilder, French Franc, German Mark, Italian Lira, Japanese Yen, Netherlands Guilder, Portuguese Escudo, Spanish Peseta, Swiss Franc, West German Mark.

Table of Exchange Cross Rates. Columns include Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

Table of U.K. Convertible Stocks 6/7/79. Columns include Name and description, Size (£m), Current price, Terms, Conversion dates, Flat yield, Premium, Income, Dividend, Current.

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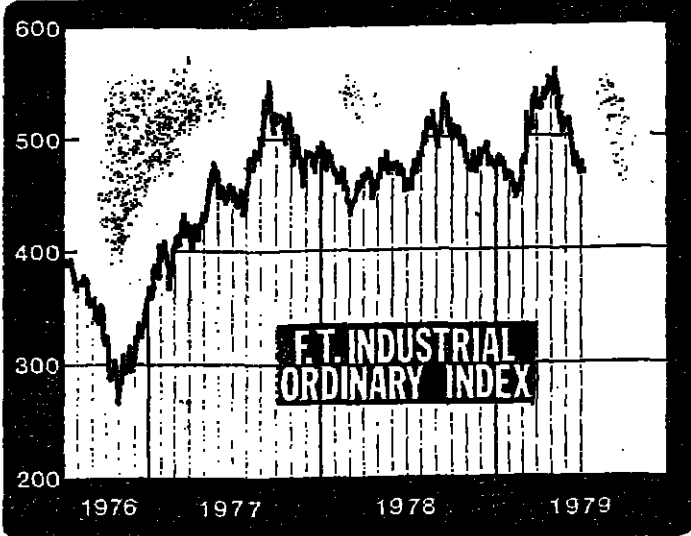
LONDON STOCK EXCHANGE

Markets again follow sterling and gilts settle mixed, while equities regain part of recently-lost ground

Account Dealing Dates
First Declared Last Account
Dealings Dates Dealings Day
Jan. 15 Jun. 28 Jun. 29 July 10
July 2 July 12 July 13 July 24
July 16 July 25 July 27 Aug. 7

Markings yesterday, at 15.204, were the lowest for the week. Yet another heavy volume of business was traded in investment currency. Much of it came from institutional sources, but on the whole trade was evenly balanced and caused relatively minor fluctuations in the premium, which settled a net 1 higher at 24 per cent. Yesterday's SE conversion factor was 0.9407 (0.9598).

stitional buyers withdrew; the preliminary results are due on July 18. Store leaders experienced the quietest day's trading for some time and closed with modest gains in line with the slightly firmer tone of the market as a whole. Gussies A added 4 at 362p, while UDS, 95p, Mothercare, 176p and Burton Shoes, Press comment left White 2 dearer at 86p.



Unilever rally

Recent switching from Unilever into Unilever NV, subsidised and the former staged a modest rally to close 3 higher at 187p, while the latter lost 7 1/2 to 75p on the week. Other leading miscellaneous industrials held initial gains of a few pence or so until the late trading when a slightly easier trend emerged, and quotations closed little altered on balance.

Banks better

Hopes of good interim statements, due in three weeks time, encouraged a small demand for the major clearers and gains of around 3 were marked against Lloyds, 445p, and NatWest, 370p. Composit insurance made modest headway in this trading with Revals firming 11 to 351p and GRE adding 8 to 248p, while Commercial Union improved 4 to 150p and Sun Alliance 8 to 524p.

Table titled 'LONDON TRADED OPTIONS' showing closing and opening prices for various options like BP, GEC, ICI, etc. for July, August, and September.

Table titled 'RISES AND FALLS' showing percentage changes for various market indices like British Funds, Corporate Bonds, etc.

Table titled 'ACTIVE STOCKS' showing a list of stocks with their denominations, closing prices, and changes.

Table titled 'ON THE WEEK' showing a list of stocks with their denominations, closing prices, and weekly changes.

Table titled 'BASE LENDING RATES' showing interest rates for various banks and financial institutions.

OPTIONS

DEALING DATES
First Last
Deal Deal-
ings inces
tion
July 9 Sep. 20 Oct. 2
July 10 July 23 Oct. 4 Oct. 16
July 24 Aug. 6 Oct. 13 Oct. 30

Table titled 'NEW HIGHS AND LOWS FOR 1979' listing various stocks and their high and low prices for the year.

Table titled 'RECENT ISSUES' listing newly issued stocks and their details.

Table titled 'FIXED INTEREST STOCKS' listing fixed interest securities and their prices.

Table titled '"RIGHTS" OFFERS' listing rights issues and their details.

Renunciation date usually last day for clearing free of stamp duty. Figures based on prospectus estimates. Assumed dividend and yield. Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. * Figures assumed. † Cover allows for conversion of shares not now ranked for dividend or ranking only for restricted dividends. ‡ Placing price to public. § Pence unless otherwise indicated. ¶ Issued by tender. † Offered to holders of ordinary shares as a result of an issue by way of capitalisation. ** Introduced. †† Issued in connection with reorganisation, merger or takeover. ††† Introduction. †††† Issued to former preference holders. ††††† Allotment letters (only fully-paid). †††††† Issued as partly-paid allotment letters. ††††††† With warrants. †††††††† Provincial or other securities. ††††††††† Unlisted securities. †††††††††† Issued as units comprising 2 income shares and 10 Capital shares at 125p per unit.

Table titled 'FINANCIAL TIMES STOCK INDICES' showing various indices like FT 100, FT 250, etc. for July 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, and Year Ago.

Table titled 'HIGHS AND LOWS' showing high and low prices for various stocks like Govt. Secs, Fixed Int., Ind. Ord., etc.

revised speculative demand, the Ordinary and Capital adding 5 and 6 respectively to the common price of 117p. A similar interest was shown in Property Security Investments which improved 5 1/2 to 167p, while favourable annual trading statements prompted gains of 1 to 3 1/2p in UK Property and of a penny to 24p, after 25p, in Republic. By contrast, Regal's selling led to a profit-taking clipped a couple of pence from recently firm Slough Estates, 120p.

Oil Exp. react
The outcome of Phillips drilling on Block 16/17 in the British sector of the North Sea was received as reasonably good but came as a disappointment to recent speculators in Oil Exploration which fell away to 315p before settling at 322p for the day. The oil sector's performance was generally mixed, with Shell falling 4 to 382p following the cessation of recent switching into Royal Dutch, which added 1 1/2 to 282p, but recent weakness on worries about rising sterling's impact on the group's overseas earnings still left the shares 16 down on the week.

Higher Golds
Mining markets were generally subdued with investors reluctant to open up positions before the weekend. But South African Golds were marked higher and met with some small Continental buying as the bullion price

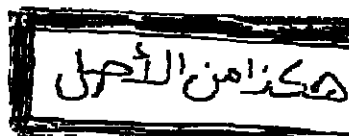
FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table titled 'EQUITY GROUPS & SUB-SECTIONS' showing various equity indices and their performance.

Table titled 'FIXED INTEREST PRICE INDICES' showing fixed interest price indices and their performance.

CONSTITUTIONAL CHANGES: Matthews Wroughton Holdings has changed its name to Stewart Wroughton Holdings (Insurance Group). Due to reorganisation, the Legal and General Assurance Society becomes Legal and General Group (Insurance Ltd).



AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Friends' Provident Unit Trust, and others, including their names, managers, and performance data.

Table listing insurance and property bonds, including Prudential Financial, Sun Life of Canada, and other major providers, with details on their products and rates.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds, such as Alexander Fund, Kempt Co. Management, and others, detailing their investment strategies and performance.

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NOTES: A list of notes and disclaimers at the bottom left of the page.

FT SHARE INFORMATION SERVICE

Managers of Commercial Property Knight Frank & Rutley

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and Yield.

Shorts (Lives up to Five Years)

Table of Short-term investments with columns for Name, Price, and Yield.

Five to Fifteen Years

Table of Medium-term investments with columns for Name, Price, and Yield.

Over Fifteen Years

Table of Long-term investments with columns for Name, Price, and Yield.

Undated

Table of Undated investments with columns for Name, Price, and Yield.

INTERNATIONAL BANK CORPORATION LOANS

Table of International Bank Corporation Loans with columns for Name, Price, and Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth & African Loans with columns for Name, Price, and Yield.

LOANS Public and Ind.

Table of Public and Industrial Loans with columns for Name, Price, and Yield.

Financial

Table of Financial instruments with columns for Name, Price, and Yield.

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EDINBURGH: 37 George Street, Tel: 72498

FOREIGN BONDS & RAILS

Table of Foreign Bonds & Rails with columns for Name, Price, and Yield.

BANKS & HP—Continued

Table of Banks & HP with columns for Name, Price, and Yield.

CHEMICALS, PLASTICS—Cont.

Table of Chemicals & Plastics with columns for Name, Price, and Yield.

ENGINEERING—Continued

Table of Engineering with columns for Name, Price, and Yield.

AMERICANS

Table of American stocks with columns for Name, Price, and Yield.

Hire Purchase, etc.

Table of Hire Purchase, etc. with columns for Name, Price, and Yield.

DRAPERY AND STORES

Table of Drapery and Stores with columns for Name, Price, and Yield.

BEERS, WINES AND SPIRITS

Table of Beers, Wines and Spirits with columns for Name, Price, and Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of Building Industry, Timber and Roads with columns for Name, Price, and Yield.

ELECTRICAL AND RADIO

Table of Electrical and Radio with columns for Name, Price, and Yield.

CANADIANS

Table of Canadian stocks with columns for Name, Price, and Yield.

BANKS AND HIRE PURCHASE

Table of Banks and Hire Purchase with columns for Name, Price, and Yield.

FOOD, GROCERIES—Cont.

Table of Food & Groceries with columns for Name, Price, and Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers with columns for Name, Price, and Yield.

INDUSTRIALS (Miscel.)

Table of Industrials (Miscel.) with columns for Name, Price, and Yield.

FOOD, GROCERIES—Cont.

Table of Food & Groceries with columns for Name, Price, and Yield.

FOOD, GROCERIES—Cont.

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FOOD, GROCERIES—Cont.

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FOOD, GROCERIES—Cont.

Table of Food & Groceries with columns for Name, Price, and Yield.

ENGINEERING MACHINE TOOLS

Table of Engineering Machine Tools with columns for Name, Price, and Yield.

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FOOD, GROCERIES—Cont.

Table of Food & Groceries with columns for Name, Price, and Yield.

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FOOD, GROCERIES—Cont.

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FOOD, GROCERIES—Cont.

Table of Food & Groceries with columns for Name, Price, and Yield.

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INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued

Advertisement for Knight Frank & Rutley, Planning and Compensation.

MINES—Continued AUSTRALIAN

Table of Australian Mines with columns for Stock, Price, Div, and Yld.

TINS

Table of Tins with columns for Stock, Price, Div, and Yld.

COPPER

Table of Copper with columns for Stock, Price, Div, and Yld.

MISCELLANEOUS

Table of Miscellaneous with columns for Stock, Price, Div, and Yld.

NOTES

Notes section containing various financial notices and updates.

RECENT ISSUES AND RIGHTS

Text regarding recent issues and rights for various companies.

REGIONAL MARKETS

Table of Regional Markets with columns for Stock, Price, Div, and Yld.

OPTIONS 3-month Call Rates

Table of Options 3-month Call Rates with columns for Stock, Price, Div, and Yld.

CENTRAL AFRICAN

Table of Central African with columns for Stock, Price, Div, and Yld.

OILS

Table of Oils with columns for Stock, Price, Div, and Yld.

OVERSEAS TRADERS

Table of Overseas Traders with columns for Stock, Price, Div, and Yld.

RUBBERS AND SISALS

Table of Rubbers and Sisals with columns for Stock, Price, Div, and Yld.

TEAS

Table of Teas with columns for Stock, Price, Div, and Yld.

INDIA AND BANGLADESH

Table of India and Bangladesh with columns for Stock, Price, Div, and Yld.

SRI LANKA

Table of Sri Lanka with columns for Stock, Price, Div, and Yld.

Africa

Table of Africa with columns for Stock, Price, Div, and Yld.

MINES

Table of Mines with columns for Stock, Price, Div, and Yld.

CENTRAL RAND

Table of Central Rand with columns for Stock, Price, Div, and Yld.

EASTERN RAND

Table of Eastern Rand with columns for Stock, Price, Div, and Yld.

FAR WEST RAND

Table of Far West Rand with columns for Stock, Price, Div, and Yld.

O.F.S.

Table of O.F.S. with columns for Stock, Price, Div, and Yld.

FINANCE

Table of Finance with columns for Stock, Price, Div, and Yld.

FINANCE, LAND, etc.

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SHIPPING

Table of Shipping with columns for Stock, Price, Div, and Yld.

SHOES AND LEATHER

Table of Shoes and Leather with columns for Stock, Price, Div, and Yld.

SOUTH AFRICANS

Table of South Africans with columns for Stock, Price, Div, and Yld.

TEXTILES

Table of Textiles with columns for Stock, Price, Div, and Yld.

TOBACCO

Table of Tobacco with columns for Stock, Price, Div, and Yld.

TRUSTS, FINANCE, LAND

Table of Trusts, Finance, Land with columns for Stock, Price, Div, and Yld.

PROPERTY

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LEISURE

Table of Leisure with columns for Stock, Price, Div, and Yld.

MOTORS, AIRCRAFT TRADES

Table of Motors, Aircraft Trades with columns for Stock, Price, Div, and Yld.

Commercial Vehicles

Table of Commercial Vehicles with columns for Stock, Price, Div, and Yld.

Components

Table of Components with columns for Stock, Price, Div, and Yld.

Garages and Distributors

Table of Garages and Distributors with columns for Stock, Price, Div, and Yld.

NEWSPAPERS, PUBLISHERS

Table of Newspapers, Publishers with columns for Stock, Price, Div, and Yld.

PAPER, PRINTING ADVERTISING

Table of Paper, Printing Advertising with columns for Stock, Price, Div, and Yld.

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City Offices Hampton & Sons 01-236 7831

If you care about the EXTINCTION OF WHALES Support the Protest Rally Trafalgar Square, Sunday, 8th July, 2.30 pm. RSPCA WE RECEIVE NO STATE AID

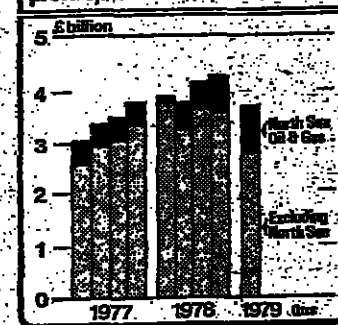
THE LEX COLUMN

Big funds take a long-term view

Again this week the spotlight has been on the gilt-edged market which quickly swallowed up the last of the long tap on Monday and, then, unrestrained, was able to reflect its enthusiasm in prices. The FT Government Securities Index has put on almost 2 1/2 points in the five trading days, a gain of 3 1/2 per cent. But equities have remained quiet and unexcited with little response even to the news that BP is to pay out a more than double dividend for 1979. The FT 30-Share Index is 2.4 points easier on the week.

Index rose 3.3 to 471.0

INDUSTRIAL and COMMERCIAL COMPANIES: Gross trading profits, net of special provisions



Dr. David Owen's Shadow cabinet referred to a need to have strategic control over BP as a red herring. Strategic control can be exercised as effectively by a third of the equity company as with 100 per cent. In a national emergency Government would make over this whether it was shareholder or not.

There is no reason for a statement to cast a shadow over the Government's plan when it takes place. Far from being alarmed, brokers are apparently seeing a negative real return, with redemption yields of around 13.4 per cent falling several points short of expected inflation over the coming year. It is an indication of how far the managers of the big funds are prepared to look ahead.

Company profits

Readers of the company columns will have observed that what happened to company profits in the first quarter of the year. Now the Central Statistical Office has come up with its own estimate of what the level of discount did to the fits of companies as a whole and it makes fairly grim reading. Excluding the boom North Sea oil and gas sector, where profits have been soaring, profits of industrial and commercial companies dropped by nearly a quarter from the level of the October-December period. This was after deducting stock appreciation.

The official statistics suggest that the level of the quarter profits was 14 per cent lower than in the same quarter of the year. April-June was an economic activity quickly revived and companies were to claw back something of what they lost earlier. But the underlying trend cannot be good. Last year's profits proved expensive and the strengthening sterling will exact its toll. Profits as the year wears on.

have taken vigorous action to lengthen the average term of their gilt-edged portfolios. This helps to explain the curious shape of the yield curve at the moment.

Normally investors expect to pick up extra yield when they switch longer, but now they are prepared to do so without such an incentive - even though they are apparently facing a negative real return, with redemption yields of around 13.4 per cent falling several points short of expected inflation over the coming year.

There is another reason for the focus on gilts, however, and this reflects the fact that a great deal of strategic thinking is now being carried out in the City. Although the change of Government has not so far been reflected in any noticeable shift in short term financial policies - the Tories have been selling gilts and raising MLR with seemingly just as much gusto as the Labour administration ever did - the future could in fact be quite different from the past.

Thus the latest issue of the quarterly Financial Analysis from brokers L. Messel has been attracting considerable interest this week. It sets out the implications for the financial markets if the Government were to succeed in cutting the public sector borrowing requirement drastically during the medium term. It considers putting it bluntly, what would happen if the torrent of gilt-edged were gradually to dry up.

Some of the big institutions, especially the pension funds, have been taking this possibility seriously enough this week to

BP sale

The Labour Party's sabre-

Cabinet Ministers £7,000 pay rise

BY PHILIP RAWSTORNE

CABINET MINISTERS are to receive an immediate pay increase of more than £7,000 a year, under Government proposals published yesterday.

Backbench MPs will be given a rise of over £2,500 to £9,450 in a revised deal agreed by the Cabinet.

Government motions tabled in the Commons yesterday confirm that Mrs. Margaret Thatcher has bowed to pressure from Conservative and Labour MPs over the payment of the higher salaries recommended by the Boyle Committee.

The Government's original proposal was that the increase should be paid in three equal instalments. This has been amended to give half the recommended increase now and the rest in two further instalments in 1980 and 1981.

The Government has pledged to top up next year's instalment to take account of inflation during the next 12 months.

Agreed

It has also agreed to refer back to the Boyle Committee the question of linking MPs' future pay rates to certain grades in the Civil Service or to other professions.

Mr. Norman St. John Stevas, Lord of the Commons, said yesterday that such a link would avoid "the perennial embarrassment" to the Commons of voting its own pay increases.

Parliamentary salaries have not been fully updated for seven years. Since 1975 MPs' pay has risen by 17 per cent while average earnings have soared by some 60 per cent.

Questioned in an Independent Television News interview about the effects of any general wage freeze on the deal, Mr. St. John Stevas said: "I would have thought there would be a case for an exemption, although of course I can't give a guarantee of that."

The revised pay proposals are expected to be approved by the Commons on Wednesday, though some Labour left-wingers may vote against this.

Neither Mrs. Thatcher nor Lord Hailsham, the Lord Chancellor, will accept any increase in their ministerial salaries of £22,000 until 1981.

Cabinet Ministers, currently paid £17,829, including a proportion of the Parliamentary salary, will receive a new rate of about £25,000. By June 1981 they will be paid at least £32,000 a year.

Weather

UK TODAY

CLOUDY in North with rain in places. Mainly dry in South with sunny periods.

London, S.E., Cent. S. and S.W. England, Midlands, Channel Is., S. Wales

Mainly dry with sunny periods. Some rain later. Max. 21C (70F).

E. Cent. N. and N.E. England 19C (66F). Occasional rain. Max. 19C (66F).

Rest of England, N. Wales, Scotland Showers with sunny intervals. Max. 18C (64F).

Outlook: Little change.

WORLDWIDE

Table with columns for location, y'day, and y'day. Locations include Algiers, Amsterdam, Athens, Belfast, Berlin, Bilbao, Birmingham, Bristol, Brussels, Bucharest, Cardiff, Casablanca, Chicago, Cologne, Copenhagen, Dublin, Edinburgh, Florence, Frankfurt, Geneva, Glasgow, Gmny, Harbin, H. Kong, Innsbruck, Istanbul, Joazeiro, London, Lyons, Madrid, Manila, Mexico City, Moscow, New York, Niiza, Ottawa, Paris, Perth, Port of Spain, Prague, Rome, Santiago, Singapore, Stockholm, Sydney, Taipei, Toronto, Tokyo, Valencia, Warsaw, Zurich.

Nkomo pledge over safety of Queen

BY MARTIN DICKSON

MR. JOSHUA NKOMO, joint leader of the Patriotic Front, announced yesterday that his Zambia-based guerrillas would stop trans-border attacks into Zimbabwe Rhodesia during the Queen's visit to Zambia and the Commonwealth conference.

The move is designed to allay fears for the safety of the Queen, who is scheduled to visit Zambia from July 27 to August 4, and of Commonwealth Heads of Government, who will be meeting in Lusaka from August 1 to 8.

However, Mr. Nkomo's wing of the Patriotic Front, the Zimbabwe African People's Union (ZAPU), said this could not be called a ceasefire since "our forces will continue to operate in Rhodesia. The war will go on."

Mr. Nkomo's statement came shortly after senior British

security officials returned to London with a report on conditions for the Queen's visit. According to a version of the report circulating in Lusaka, this concludes that the tour would be no more dangerous than some others the Queen has made and recommends that it should go ahead.

Mr. Nkomo portrayed recent Rhodesian raids into Zambia as an attempt to heighten fears about the Commonwealth conference and disrupt relations between Zambia and ZAPU.

Hopes Insisting that he wanted the conference to succeed, Mr. Nkomo announced that, from the start of July 25 until midnight on August 10, ZAPU would not engage in any such activities at the Zambia-Rhodesia border as are likely to

provide a pretext to the Rhodesian regime to undermine the prospects of the Commonwealth conference being held in Lusaka.

Fears for the safety of the Queen and other Commonwealth leaders are known to focus partly on the possibility of jittery ZAPU guerrillas firing missiles at aircraft in the wake of Rhodesian raids.

In some diplomatic circles last night there were hopes that the Salisbury government might be persuaded to similarly forswear trans-border raids during the conference. The subject may be discussed next Friday when Bishop Muzorewa, the Prime Minister of Zimbabwe Rhodesia, meets Mrs. Thatcher in London. The Foreign Office welcomed the statement and said: "We are glad that Mr. Nkomo has made this pledge."

NEB and Joseph head for assets sale row

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE FIRST public sign of a forthcoming row over whether the National Enterprise Board should be forced to sell some of its assets emerged yesterday.

Sir Leslie Murphy, the board's chairman, said that the organisation should be free to take "balanced commercial decisions" within an agreed framework.

The indications are that Sir Leslie is having difficulty in persuading Sir Keith Joseph, Industry Secretary, that the NEB should absorb a substantial slice of private sector money into its operations instead of being forced to sell off major subsidiaries such as ICL and Bantam.

Sir Leslie met Sir Keith for talks on the NEB's future on Tuesday. Yesterday, he published the text of a lunch-time

speech in which he laid down the terms on which he and his fellow board members believe they should operate.

"The NEB has never acquired shares as a result of Government direction, and the same principle should apply to disposals," Sir Leslie told the Trade Marks, Patents and Design Federation annual lunch.

The NEB had accepted that it should contribute £100m to the £1bn sale of State industry assets being assembled by the Government. But it should be left to take its own decisions as to how to achieve the savings.

Sir Leslie reflected the terms of key policy decision taken just before the meeting with Sir Keith by the members of his Board, when he added: "The Board of the NEB feel strongly

that there should be agreed terms of references and that it should have the authority to take balanced commercial decisions within that framework."

One of the areas of contention is whether the NEB should have a role in developing high technology companies, such as its INMOS micro-chip subsidiary. INMOS would play a major role, along with Ferranti and ICL, in a new electronics subsidiary, which the NEB has said it could offer partly to the private sector.

Sir Leslie, who has said in the past that he is not interested in resigning over a difference of opinion with the Government, yesterday underlined the importance of the INMOS type of venture. He said that "most of the NEB's investments are in very good shape."

U.S. halts bombers for Egypt

BY JUREK MARTIN, U.S. EDITOR, IN WASHINGTON

THE U.S. State Department confirmed yesterday that the proposed sale of 50 F-5E bombers to Egypt had been postponed because of the withdrawal of a Saudi Arabian offer to finance the deal.

The Saudi refusal to underwrite the sale, worth over \$500m, reflects the general Arab hostility to the Israeli-Egyptian peace agreement.

The U.S. had retained hopes that the Saudis would still provide financing because the arms sale was concluded in principle before the peace treaty and before Arab states had united in imposing an economic boycott on Egypt.

A State Department official said it remained "conceivable" that the sale would go through

at some stage in the future but meanwhile the U.S. Government had advised the Egyptian Government, Northrop, to seek other buyers.

The proposed Egyptian deal was part of the joint arms sale package advanced by the Carter Administration last year which linked military aircraft sales to two Arab nations, Egypt and Saudi Arabia, with Israeli purchases.

It was seen at the time as a demonstration of the U.S. intent to forge a more equitable Middle Eastern policy, and after intense debate was narrowly ratified by the Senate in what was construed as a significant foreign policy triumph for President Carter.

U.S. officials said that a key

element in the Saudi decision appeared to have been the sharp attack on the Kingdom's policies by President Sadat two months ago. The Saudi refusal to underwrite the sale is seen here as the biggest single Arab reprisal yet for Mr. Sadat's conclusion of a separate peace agreement with Israel.

While the Saudi action hardly comes as a complete surprise in Washington, it does constitute something of a disappointment.

The relative Saudi moderation at last week's OPEC meeting, combined with the report that Saudi oil production levels might be increased, had given the U.S. some hopes that the recently fractious relations with Riyadh might be on the mend.

Continued from Page 1

Carter

only 8 per cent, thus dragging down overall final sales.

Reports from retail concerns and the travel industry all show that the energy crisis is biting deeply into economic activity.

It is against this background that President Carter and his advisers are meeting at Camp David to grapple with energy and economic issues.

It was announced yesterday that the President had cancelled a scheduled address to the National Governors' Conference in Kentucky, but had invited the governors to send a representative group to Camp David last night to join the talks.

There were also reports that leading business executives had been summoned to confer with the President. Key Congressmen are expected to take part, but no names of participants have been officially released.

The White House has still not explained adequately why Mr. Carter abandoned his energy address to the nation, due for Thursday night, or what additional steps he was now contemplating.

This has provoked speculation in Washington about sharp disagreements between the President's advisers and criticism about what is seen by some as another example of presidential indecisiveness.

The most plausible explanation is that the President decided that a rather vague speech confined largely to energy would not suffice in the current climate of national confusion.

On the flight back from the Tokyo Economic Summit, he said that the latest OPEC oil price increases made a recession in the U.S. more likely, and that any major address would therefore have to focus on this eventuality.

Saudi Arabia oil strike

BY RICHARD JOHNS

THE ARABIAN American Oil Company has discovered in Saudi Arabia what promises to be one of the biggest oilfields in the world.

In an interview earlier this week Sheikh Ahmed Zaki Yamani, Saudi Minister of Oil, referred to a very exciting and very big find, but did not elaborate.

A spokesman for Aramco subsequently said that he was unaware of new fields discovered apart from those mentioned in the company's annual report for 1978.

But it is understood that a field discovered earlier this year, already named Jawb, has resulted in a substantial upward revision of estimates of the Kingdom's reserves. Aramco's last annual report

put proven reserves at 113.3bn barrels only 2.9bn barrels above the 1977 estimate, and probable reserves at 177.8bn barrels.

Diplomats in Jeddah are talking of a field comparable to the Ghawar field, the world's largest, near which the new discovery has been made. Oil men who know of the strike say that it is far too early yet for the extent of Jawb to have been even roughly measured but the indications are that it is a "whopper".

Sheikh Yamani in his recent interview said that Saudi Arabia's proven reserves amounted to about 200bn barrels, in addition to which there was about 100bn barrels more in probable reserves.

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Briginshaw

up through the union or by officers in their own authority and into Swiss bank accounts.

At its previous meeting in 1978 the governing council had refused to accept the union financial statement and auditor's report and called for a special audit of NATSOPA accounts.

The March governing council also instructed: "Bearing in mind the difficulties in obtaining information about past companies due to the destruction of records after liquidations, that in future no companies associated with the society, or owned by the society or its officers with executive council permission, shall have their records destroyed."

In a statement after that council meeting, Lord Briginshaw said that all actions by officers and staff were in accordance with the known and decided policies and instructions of the executive council and appropriate ballot votes of the membership.

He resented the "continuing witch-hunt" into NATSOPA's affairs. In 1951, he said, NATSOPA was in liquidation, bankruptcy as a result of inter-war "generosities" with certain benefits to the membership.

"Policies and actions initiated with the executive councils of 1951 and subsequent years" avoided bankruptcy during those years.

Lord Briginshaw was NATSOPA general secretary from 1951 until 1973, the year in which he retired and received a peerage.

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